NORWAY COUNTRY COMMERCIAL GUIDE FY 2002

This Country Commercial Guide (CCG) presents a comprehensive look at Norway's commercial environment, using economic, political and market analysis. The CCG was established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. government agencies.

Norway is modern, industrial, oil-rich country with a population of 4.5 million people living in a 1,100 mile long, narrow, and mountainous country that has a coastline three times its length and strong traditions of fishing and shipping. Norway borders Russia, Finland and Sweden. The three Scandinavian countries - Denmark, Norway and Sweden-- are closely related in terms of language, ethnic roots, religion, history and a host of other ways, but they also are different in many ways, too.

Norway has one of the most financially healthy economies in the world, thanks in part to its status as the second largest exporter of crude oil in the world and one of the largest exporters of natural gas. Other major industries are prospering as well – information technology, fishing, pulp and paper products, although Norway's shipbuilding industry is under increasingly heavy competition from overseas shipyards. Norway's unemployment rate is one of the lowest in the world (well below 4 percent). Inflation had been held to 2 to 3 percent during recent years, but has now crept over 3 percent. Per capita GDP income of almost $35,000 virtually equals that of the USA. The vast majority of Norwegians are fluent in English and many have very close cultural and family ties to America. Norwegian business ethics are very similar to American business ethics.

Over the next five years Norway will invest over $10 billion in its information technologies and defense sectors. American companies have excellent opportunities to capture a significant share of these contract awards. Other sectors with significant opportunities are telecommunications, oil and gas field equipment and services, tourism, and consumer goods.

Norway is not a member of the European Union (EU), but is linked to the EU through the European Economic Area (EEA) agreement, which provides for favorable access to the EU market for most Norwegian non-agricultural products. By virtue of the EEA, which entered into effect in January 1994, Norway is virtually part of the EU's single market, except in fisheries and agricultural sectors. Norway implements most EU directives as a result of its EEA obligations.
American exporters and investors may well benefit by Norway being outside of the EU.

The American business presence in Norway is very broad and deep. More than 250 U.S. branches and subsidiaries operate in Norway and their numbers are growing. An estimated 4,000 more U.S. firms are represented in Norway by up to 2,000 Norwegian agents and distributors. The U.S. is Norway's second leading foreign investor nation, having been passed in 1998 by the Netherlands. The American Chamber of Commerce in Norway is a dynamic and growing voice for American business in the country and a Visit USA Committee is aggressively promotes travel to America. America is Norway's fifth largest source of imports after four EU countries.

Norway's market, with the notable exception of agricultural products and ancillary processed foods, is transparent and quite open. Few technical standards exist except in telecommunications equipment, although there are stringent regulations for chemicals and foodstuffs. Many of Norway's standards are harmonized with the EU. No country of origin labeling is required.

Companies can avail themselves of many trade promotion opportunities. A number of product categories have trade shows devoted to them, and there are many industry-specific magazines. Radio and television permeate the country, and advertising on them is quite popular.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country Commercial guides can be accessed via the World Wide Web at: http://www.stat-usa.gov, http://www.state.gov/. and http://www.mac.doc.gov. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRAD(E)or by fax at (202) 482-4473.

Additional information on Norway and the full services of the American Embassy in Oslo can be found on the Internet at http://www.usembassy.no. For business travel planning to Norway and other destinations in Europe, the Showcase Europe home page is now on the Internet at http://www.sce.doc.gov.

Norway: Key Economic Indicators

	Value USD	Percentage Volume Change (a)		
	----------------- Millions	----------------		
National Accounts:	**2000**	**2000**	**2001**	**2002**
Total GNP	160,272	2.3	2.4	2.8
Total GDP	161,807	2.3	2.4	2.8
Of which: Mainland GDP	119,830	1.8	1.5	1.8
Total Mainland Demand	123,330	1.3	1.5	2.2
Exports (Incl. Serv.)	75,409	2.7	4.9	5.1
Imports (Incl. Serv.)	49,261	2.5	3.1	3.7

Prices, Money, and Govt. Budget:

As marked (a)

	2000	2001	2002
Cons. Price Inflation (Pct)	3.1	3.0	2.5
Annual Wage Growth (Pct)	4.3	4.3	4.8
Ann. Money (M2) Growth (EOP; Pct)	10.1	9.0	8.5
Interest Rate (b) (Avg; Pct)	6.6	7.1	6.1
Govt. Budget Bal. (c) (USD Bill.)	17.4	23.9	20.0

Other Domestic Indicators:

	2000	2001	2002
GDP Per Capita (USD)	36,037	36,118	36,628
Population (Mill., Mid-Year)	4.49	4.51	4.53
Labor Force (Mill., Mid-Year)	2.35	2.36	2.38
Unempl. Rate (d) (Pct)	3.4	3.2	3.2
Industrial Prod. Index (e)	105.6	106.4	107.5
Change in Ind. Prod. (f) (Pct)	1.1	0.8	1.0

Balance of Payments and related Items:

	2000	2001	2002
Total Exports (USD Mill; FAS)	60,136	59,110	57,880
- Crude Oil and Natural Gas	34,841	33,780	31,385
- To the U.S. (g)	5,710	5,400	5,200
Total Imports (USD Mill; CIF)	34,386	35,010	37,030
- From the U.S. (g)	1,544	1,650	1,750
Tot. Trade Balance (USD Mill)	25,750	24,100	20,850
- Balance with the U.S. (g)	4,166	3,750	3,450
Current Acct. Balance (USD Mill)	23,136	22,350	19,600
For. Exch. Res (EOP; USD Mill)	27,940	28,500	29,000
Net For. Debt (h) (EOP; USD Mill)	(36,295)	(40,000)	(50,000)
Debt-Serv. Ratio (i) (%)	20.0	18.0	17.0
For. Investm. (j) (USD Mill)	29,800	33,000	36,000
- of which U.S. Inv (j)	6,800	7,500	8,200
Avg. NOK/USD Rate (k)	8.80	9.10	9.10
Tourism Receipts (USD Mill)	1,997	2,050	2,100
Tourism Expend. (USD Mill)	4,471	4,500	4,550

Principal U.S. exports to Norway:
Aircraft and parts, ADP machinery, other machinery incl. oil equipment, telecommunications equipment, fruits and vegetables, and motor vehicles and parts.

Principal U.S. imports from Norway:
Crude oil, fish, metals, paper and products, cheese, and misc. manufactured goods.

Memo Notes:

(a) Projections by the Norwegian Ministry of Finance, the Norwegian Central Bureau of Statistics, and the Embassy; (b) Avg. money market rate; (c) Central government net transfer to the petroleum fund; (d) surveyed unemployment; (e) Volume index, 1997=100; (f) NOK-based avg. annual change in (e); (g) U.S. Dept. of Commerce statistics; (h) Norway's foreign liab. less foreign assets; (i) Gross debt payments as a percent of exports of goods and services; (j) Stock of foreign investment; (k) Embassy projections. EOP = end of period.

SUMMARY

1. Norway’s key oil and gas sector will remain the county’s principal economic locomotive and major foreign exchange earner. With world oil prices having recovered, Norway’s external financial position is exceptionally strong from a global perspective. Although oil/gas investments have peaked, Norway will still continue to offer interesting opportunities for U.S. oil companies and suppliers of petroleum-related equipment. The Norwegian market for autos, aircraft and other manufactured goods will also remain attractive. Major competitors in the Norwegian market are the EU member states, and low-cost producers in Asia and elsewhere. Although reforms are underway--including part-privatization of state companies (e.g. Statoil and Telenor), Norwegian state monopolies and other non-tariff barriers continue to hamper U.S exports in areas including alcoholic beverages and farm products. Because of the EEA free trade accord, Norway continues to adopt and enforce EU policies and directives. End Summary.

MAJOR TRENDS AND OUTLOOK

Economic Growth

2. In 2000, Norway's economy posted stronger growth with rising oil and non-oil export growth and firming household spending contributing to the development of the economy. Despite the improvement in world oil prices, offshore oil/gas investment remained in decline, reflecting the completion of major projects (e.g., the Aasgard field). Norwegian unemployment (3.4 percent) remained well below the Euro Zone average, but Norwegian inflation (see below) remained above the country’s major European trading partners. According to official statistics, total GDP grew 2.3 percent in real terms in 2000, compared with 1.1 percent in 1999. In external accounts, Norway's 2000 foreign merchandise trade surplus (USD 26 billion vs. USD 10 billion in 1999) improved along with the recovery of world oil prices.

3. Looking to 2001, Norway's finance ministry projected on May 11 real growth in total GDP of 2.4 percent for 2001 with improved exports and investment contributing to the increase. On the mainland, meanwhile, activity is expected to ease moderately, reflecting the slowing impact on demand of rising domestic interest rates through 2000. Norway’s labor market is expected to remain tight, with unemployment low (3.3 percent) and labor shortages problematic in some sectors (e.g., hospital services). In external accounts, Norway is expected to enjoy continuing good fortunes with a projected 2001 trade surplus of some USD 24 billion.

Inflation

In 2000, Norway’s consumer price inflation rose strongly to 3.1 percent (vs. 2.3 percent in 1999) reflecting chiefly (a) the impact of high world oil prices; and (b) pressure on wages in Norway’s tight labor market.

According to official projections, Norwegian inflation in 2001 will remain about three percent if the impact of high oil prices wears off and domestic interest rates ease from current levels. In the 2000-2001 period, therefore, Norway’s inflation rate is set to remain about one percentage point higher than that of the Euro Zone. Looking further ahead, Norwegian inflation should ease to 2.5 percent a year if the Central Bank manages to keep its recently introduced inflation target (see Foreign Exchange Rate Policy below).

RESOURCES AND PRINCIPAL GROWTH SECTORS

Economic Resources

5. The Norwegian economy is dominated by energy and energy-based production, notably crude oil, natural gas, and metals. This domination renders Norway vulnerable to downturns in a handful of global commodity prices, particularly those of crude oil and natural gas, which accounted for 58 percent of Norway's 2000 merchandise exports.

6. According to the Norwegian Ministry of Oil and Energy, Norway’s remaining discovered oil and gas resources would last 18 and 95 years, respectively, at 2000 rates of extraction. The oil and gas will last significantly longer if new resources are discovered as expected. At the end of 2000, Norway’s remaining discovered and undiscovered oil and gas resources totaled an estimated 13.8 billion cubic meters (bcm) oil equivalent. (Note: 1,000 bcm of gas equals 1.0 bcm oil equivalent. End note.) Norway has limited land deposits of non-renewable energy resources (i.e., coal on Svalbard), but the country is blessed with abundant hydropower.

Principal Growth Sectors

7. Norway’s key petroleum production sector will likely continue to dominate the non-service industries for the next several decades, although its prominence will decline gradually along with the depletion of the country’s crude oil and gas resources. In the past decade, the economic significance of the offshore petroleum sector fluctuated with world oil prices. In 2000--following the recovery of world oil prices--petroleum production rose to 22.7 percent of Norwegian GDP, compared with 14.2 percent in 1999, and about ten percent a decade ago.

8. In the past decade, the percentage of non-oil manufacturing production in GDP eased to 10.6 percent from about 16 percent. Mainland activity is dominated by large-scale export-oriented industries producing metals (e.g. aluminum), chemicals, and pulp and paper. Service industry activity rose to 57 percent of GDP in 2000 from 50 percent a decade ago, with increased public services activity (15 percent in 2000) contributing to expansion. The Norwegian primary sector (agriculture and fishing) remains heavily protected, but its share in GDP has declined gradually to 1.6 percent in 2000 from over 5 percent a decade earlier.

GOVERNMENT ROLE AND ECONOMIC POLICY

Government Role

9. Norway remains a mixed economy, with resource allocation determined by both state intervention and free market forces. The Norwegian public sector is more significant than in the U.S. According to latest available OECD statistics, public disbursements in Norway amounted to some 50 percent of GDP compared with about 34 percent in the U.S.

10. The GON uses extensive subsidy schemes to support agriculture, outlying regions, and some manufacturing industry. A welfare system, which re-distributes income via taxes, remains firmly in place, and the GON puts a premium on containing unemployment and maintaining economic opportunities in outlying areas. The tax burden on the economy remains high from an OECD perspective. Although part-privatization is underway, public sector partially owned or controlled enterprises dominate Norway's key oil and gas industry, the telecommunications and the commercial banking sectors. The private sector dominates in industries such as shipping, non-bank services, and small to medium-scale manufacturing.

GON EU Policy

11. Norwegians rejected EU membership in a 1994 referendum because the net benefit of joining appeared illusory considering Norway's petroleum wealth and strong ties with the EU through the European Economic Area (EEA) free trade accord. Nevertheless, Norway's economic policy continues to be shaped by EU directives adopted by the EEA. Under the provisions of the EEA accord, Norway is obliged to offer national treatment to EEA members in many areas including finance and public procurement, but not agricultural trade and fishing. U.S. companies established in the EEA are benefiting from Norwegian liberalization in areas including banking. The Norwegian minority Labor Government—led by Prime Minister Jens Stoltenberg--has said it will not revive the EU membership issue unless there is a significant shift in public opinion. (This policy is unlikely to change even should another political party take power in the September 2001 elections.)

Trade and Investment Barriers

12. While the GON has embraced the WTO accord, it remains protectionist in its treatment of certain domestic industries, particularly agriculture and food retailing, that remain shielded by high tariffs. In general, U.S. exporters experience few problems doing business in Norway, but some areas of tension exist. American companies that have a Norwegian subsidiary or agent/distributor are able to operate in this market more effectively.

13. Meanwhile, Norway welcomes foreign investment as a matter of policy, but foreign ownership continues to be restricted or prohibited in areas of financial services, mining, hydropower, and acquisition of property in areas regarded as politically sensitive.

Budget and Foreign Exchange Rate Policy

14. The GON conducts an active fiscal policy in order to stabilize inflation and employment and meet long term challenges. Thus, fiscal policy becomes stimulative during cyclical downturns, and restrictive during upturns. After the turn of this century (about 2010-2015), a sharp rise in public welfare spending (e.g., pensions and health care) may coincide with a decline in petroleum revenues. To help meet this challenge, the GON currently accumulates petroleum revenue in a state petroleum fund (invested in foreign bonds and equities) that reached USD 44 billion at end of 2000. The GON has run budgetary surpluses since 1993 thanks to revenue from the offshore petroleum sector.

15. Since 1993, Norway has strived to keep its currency stable vis-a-vis the European currencies (i.e., the ECU since 1993 and Euro since January 1999) on a "free float" basis. In a shift of policy, the GON abandoned this policy on March 29 this year with the introduction of an annual inflation target of 2.5 percent as a guideline for monetary policy. In a press release, Norway’s Central Bank (which is responsible for implementation of monetary policy) notes that Norway’s target is slightly higher than similar objectives for Sweden, Canada and the Euro area, but roughly in line with targets in the UK and Australia. According to Central Bank Governor Svein Gjedrem, the policy shift will not result in significant changes in the conduct of monetary policy because “the best contribution monetary policy can make to stabilize exchange rate expectations is to aim at the objective of low and stable inflation.”

BALANCE OF PAYMENTS SITUATION AND TRADE

Healthy Balance of Payments

16. Norway's economy remains highly dependent on foreign trade. While the country's balance of payments deteriorated after the 1986 fall of world oil prices, Norway posted hefty current account surpluses in the 1989-1997 period. Due to slumping oil prices, Norway recorded a USD 1.9 current account deficit in 1998. As oil prices recovered in 1999, Norway posted a current account surplus of USD 6 billion as oil prices recovered. In 2000, Norway recorded a current account surplus of USD 23 billion, with prospect for a USD 22 billion surplus in 2001.

Significance of Foreign Trade

17. In 2000, Norway's combined merchandise exports and imports accounted for some 57 percent of GDP, compared with about 16 percent in the U.S. Crude oil and natural gas represented 58 percent of total exports. Thus, the value of Norway's total exports tends to fluctuate along with world oil prices, while imports depend on domestic economic activity, foreign exchange rate variations, and respective customs duties.

Directions of Foreign Trade

18. According to official Norwegian statistics (which do not include indirect shipments of Norwegian oil), the U.S was Norway's sixth largest trading partner (exports plus imports) in 2000. The UK (Norway's major oil terminal), Sweden, Germany, the Netherlands and France topped the list. In the past decade, Norway has posted surpluses in its trade with the U.S. based largely on high levels of oil exports. In 2000, the trade surplus vis-a-vis the U.S. stood at USD 4.17 billion, according to U.S. Department of Commerce statistics.

19. Taken as a group, the EU remains Norway's principal trading partner. In 2000, the EU accounted for 76.5 percent of Norwegian exports and 63.4 percent of imports. The other Nordic countries remain important trading partners. Trade with low-cost developing countries in Asia continues to increase, although from a low starting point. Norway continues to look for ways to increase trade with Central and Eastern Europe but such trade remains at low levels (less than three percent of total trade).

Norwegian Exports by Category

20. Primary and semi-processed goods account for some 80 percent of Norwegian merchandise exports. The remainder consists of exports of machinery, equipment, and various manufactured articles. In 2000, Norwegian merchandise exports totaled USD 60 billion, with oil and gas accounting for some 58 percent, followed by metals and metal products, chemicals, and foodstuffs (mostly fish).

21. Norwegian 2000 exports to the U.S. totaled USD 5.71 billion, according to the U.S. Department of Commerce. Principal exports to the U.S. include crude oil and refined products, metals, chemicals, fish and various semi-processed and manufactured goods.

Norwegian Imports by Category

22. In 2000, the bulk of Norwegian merchandise imports (55 percent) consisted of machinery, equipment, and miscellaneous manufactured goods. These were followed by industrial inputs (40 percent) and food and beverages (six percent). Total 2000 imports stood at USD 34 billion. In addition to goods, Norway imported USD 14.8 billion worth of services, of which 28 percent was spent on ship maintenance and repair services and another 31 percent on services provided to Norwegian overseas tourists. Norway imported an estimated USD 1.5 billion worth of services from the U.S.

23. Norway's 2000 imports from the U.S. stood at USD 1.54 billion, with imports dominated by aircraft and parts, data processing and office equipment, defense-related and other machinery and equipment, other manufactures, various chemicals and industrial inputs, food beverages, and other manufactured consumer products.

Direct Foreign Investment in Norway

24. At end-2000, the stock of direct foreign investment in Norway stood at an estimated USD 29.8 billion (book value), according to Norway’s Central Bank. The U.S. remained Norway's leading single-country foreign investor followed by Sweden and the various EU member states. The stock of direct U.S. investment in Norway rose to an estimated USD 6.8 billion (23 percent of total foreign investment). While the bulk (53 percent) of U.S. investment in Norway remains in the petroleum sector, U.S. investors are diversifying into other areas (for example, metals and retailing).

INFRASTRUCTURE; LABOR MARKET

Infrastructure

25. The state and quality of Norwegian infrastructure remain good from a global perspective. The geography of Norway's mountains and valleys combined with a rather severe climate makes road transportation difficult during the winter. Railroads are well-developed in the southern part of the country, whereas most of the northern region can only be reached by ship, car or air. The country is generally accessible by air and a number of small airfields take care of local needs. Ports and harbors are well constructed and there are many deep-water and ice-free harbors on the long coastline.

Labor market

26. In 2000, Norwegian annual wage growth averaged 4.3 percent (vs. 4.9 percent in 1999), with the relatively high growth reflecting tightness in the labor market. Looking to 2001-2002, annual wage growth will likely remain in the four percent range if labor market tightness continues. Hourly wages in Norwegian manufacturing remain 30-40 percent higher than those in the U.S. The average work week is short in Norway, having been reduced to 37.5 hours from 40 hours in 1987.

27. In 2000, unemployment (surveyed) remained low (3.4 percent) thanks to continuing economic expansion. This compares to a post-war high of 6.0 percent in 1993. Looking to 2001-2002, the unemployment rate will likely remain low considering current economic projections. In 2000, the Norwegian labor force numbered 2.35 million (54 percent males) by mid-year out of a population of 4.46 million. The bulk (72 percent) was engaged in the services sector, followed by manufacturing (13 percent) and building construction (8 percent). Being capital intensive, the offshore petroleum sector absorbed only three percent of the labor force.

IMPLICATIONS FOR THE U.S.

Trade/Procurement Opportunities

28. Although the U.S. dollar has strengthened against the Norwegian krone since 1997, this has not seriously impacted the competitiveness of most U.S. products and services due to the general price inelasticity of the Norwegian market. Thus, there are still significant opportunities for U.S. suppliers in areas, such as aircraft, oil technology and tourism. As in the past, Norway will need to import goods which are in short supply or not produced domestically. The Norwegian market will therefore continue to offer interesting opportunities for U.S. suppliers of specialized high-tech machinery and equipment (such as oil and gas technology, aircraft, and defense products), various industrial raw material supplies, foods and other manufactured consumer goods.

29. Norway is in the process of implementing several mainland infrastructure projects. This includes modernization and rehabilitation of the country's railways as well as considerable investment in the military sectors (e.g., frigates, aircraft). These projects may open up opportunities for U.S. suppliers.

Investment opportunities

30. Although investments in Norway’s offshore petroleum sector to have peaked, Norwegian offshore petroleum developments--albeit declining in overall magnitude--will likely continue to provide the bulk of opportunities to U.S. investors in the coming decade. According to official statistics, gross investment in Norway's offshore sector totaled USD 5.7 billion in 2000. Looking ahead, the Finance Ministry currently projects that offshore investment will decrease somewhat in 2001 and 2002.

Major Competitors/Challenges

31. Major competitors in the Norwegian market remain the EU countries, and low-cost producers in Asia and elsewhere. The existence of state monopolies and other non-

tariff trade barriers will likely continue to complicate U.S. exports in some areas such as fruit, vegetables, drinks, pharmaceuticals, and communications equipment.

Oslo American Embassy Facilities

32. The American Embassy in Oslo remains well-equipped to assist American business visitors. Representing the U.S. Department of State, the Department of Commerce, and other Washington agencies, the Embassy provides services and information for U.S. exporters, investors, and their Norwegian partners. Trade specialists are available to counsel American companies, as well as Norwegian agents, importers and end-users. Attractive embassy facilities are available for seminars and receptions to promote American products and services. If you are interested in doing business in Norway and need an introduction to Norway's business community, contact our U.S. Export Assistance Centers in the U.S., of which there are over 100 offices, or the Embassy Commercial Section for assistance.

Norway is a constitutional hereditary monarchy. The Parliament (Storting) is the main political body and holds legislative power. The Prime Minister is selected on the basis of the political make-up of the parliament, but is formally appointed by the King. The PM chooses his own cabinet, and currently there are 18 Ministers in addition to the PM himself. All 165 members of parliament are selected by proportional representation after elections held every four years. Interim elections cannot be called. The next general election, in which all 165 seats in Parliament are up for election, is September 10, 2001. The newly elected – or re-elected - government will be in place by the time the Parliament opens October 1, 2001.

The Labor Party, traditionally the largest political party in Norway, came back into power after a centrist coalition governed from September 1997 to March 2000. Labor returned to power after a parliamentary vote-of-no-confidence ousted the three-party coalition, headed by the Christian Democrats, over its opposition to build gas-fired power plants. Jens Stoltenberg, Deputy Chairman of the Labor Party, now holds the position as Prime Minister. The Labor government is a minority government holding only 65 of 165 seats in Parliament, and therefore depends on support from other parties to pass its policies. The Labor government has chosen not to formalize cooperation with any one party, but to seek support on a case-by-case basis. The three centrist parties, traditionally closest to Labor politically, have decided to remain a coalition in opposition and to campaign as a viable government alternative in the 2001 elections. Labor is also facing a real challenge in September from a resurgent Conservative Party. Not having a parliamentary majority, the Labor government has so far followed a fairly uncontroversial middle-of-the-road political course much along the lines of previous Norwegian governments.

In a November 1994 referendum, Norwegians rejected European Union membership. Except for the agriculture and fisheries sector, Norway is essentially part of the EU's single market by virtue of the European Economic Area (EEA) accord. Norway's economic policy is shaped by EU directives adopted in accordance with the EEA. Under the provisions of the EEA, Norway grants national treatment to EEA members in many areas including finance and public procurement, but not agricultural trade and fishing.

Over 250 subsidiaries and branches of U.S. firms are in the country, and 4,000 others are represented in the market. Trade barriers are relatively few. Although Norway is not a member of the European Union, it is affiliated with the European Economic Area (EEA) whose rules mirror practically all EU standards, rules and regulations. Market access to the EU from Norway is no major hurdle. The American Chamber of Commerce in Norway is currently expanding its services to support better the U.S. private sector representations in the country and to help welcome and introduce U.S. new-to-market firms to Norway. Meanwhile, Norway has increased its loan guarantees and has made available new investment funds specifically for Russia and Eastern European countries that could make joint venturing with Norwegian firms attractive in those markets.

The government supports free trade and non-interference. However, it should be noted that, despite reforms and cuts in many support schemes for various sectors, Norway has a long way to go, particularly in the agricultural and fisheries sectors, where state support and protectionism remain strong. Norway still spends considerable amounts annually to support farmers, and subsidies by the Government can provide up to two-thirds of a farmer's income.

ECONOMIC AND COMMERCIAL ENVIRONMENT

The Norwegian economy remains highly dependent on foreign trade, and Norwegian authorities look positively on foreign investment. Few incentives, however, are directed specifically at foreign investors. Local and central government bodies would favor an industrial-production facility placed in an underdeveloped area.

Norwegian tariffs on industrial goods are relatively low, averaging around 3-6 percent. Most of Norway's trade with EU countries is conducted on a duty-free basis under the provisions of the European Economic Area (EEA). About 70 percent of Norway's exports go to the EU, which supplies three-quarters of Norway's imports.

Investment decreased in the oil sector in the aftermath of the oil price collapse in 1999, but current high oil prices have spurred new investment. Now, 2001 and 2002 look to be good years for suppliers of equipment and services. Future economic development is also expected to relate to the increasing signs of bottlenecks and pressures, such as increased shortage of skilled labor and higher wage demands.

For combined merchandise exports and imports to a single country, the United States was Norway's fifth largest trading partner after the United Kingdom, Germany, Sweden and Denmark. In 2000, U.S. exports to Norway totaled $1.54 billion (based on official Norwegian trade statistics, and exchange rate: $ 1 = NOK 8.80). U.S. imports from Norway totaled $5.71 billion, primarily due to the growing exports of petroleum products from the Norwegian offshore oil and gas industry. Taken as a trading bloc, however, the EU countries remain Norway's principal commercial partners. Also, the other Nordic countries remain important trading partners.

MARKET STRUCTURE

Although some 250 U.S. companies have subsidiaries in Norway, the most common way of doing business is through agents/distributors. Norwegian agents/distributors represent over 4,000 American companies with a unique, very practical, and necessary sales network. Three-quarters of Norway's 4.5 million people reside in southern Norway. Most major importers and distributors are headquartered in the Oslo region, with some having sub-agents or sales offices in other major Norwegian cities. The rest of the country is made up of widely dispersed, small population centers that are expensive to serve due to long distances and high freight expenses. There are few countrywide, multi-store chains outside the apparel and grocery sectors, and most retailers and distributors are small by American standards, so sub-agents and secondary distribution is the standard and workable method of handling Norway's scattered northern markets. With proper market promotion and support, a good local business partner and/or an astute local office, American companies have unusually good prospects in this small but affluent market. Moreover, U.S. companies may find some licensing and joint venture agreements and full Norwegian subsidiaries to be excellent vehicles for tapping upscale markets beyond Norway (e.g., through Scandinavia and/or the Barents region/Baltic states).

LANGUAGE:

Another factor making it easy for Americans to do business in Norway is that the vast majority of Norwegians (and nearly everyone under 60) speak English well. American culture, including movies and TV series, is quite pervasive. However, news about Norway in English is sparse, limited to a few Internet services that provide mostly bullet points. Also, marketing and training materials in Norwegian will give a company a leg up in the competitive race.

ESTABLISHING A SALES SUBSIDIARY:

The process of establishing a Norwegian company is simple and generally free of restrictions. A subsidiary may be wholly owned and a branch may conduct full business transactions. A company must have NOK 100,000 ($11,200) minimum capital, half of that initially and the other half by the end of the first year of operations. At least 50 percent of the board of directors must be Norwegian nationals or have lived in Norway for the last two years.

All companies establishing themselves in Norway are subject to mandatory registration through a central government agency, which also maintains open annual accounts on all Norwegian companies. A fee of about $640 is paid to cover handling and the cost of publication in the official Norwegian Gazette. The name and address of this agency is:

Bronnoysundregistrene
P.O. Box 1400
8901 Bronnoysund, Norway
Tel: (47) 75 00 75 05
Fax: (47) 75 00 75 05

The acquisition of businesses must be notified to the Ministry of Industry, provided the purchase includes more than one third or more of the ownership interest in companies. This applies to companies with more than 50 employees, or if annual revenue has been in excess of NOK 5 million ($590,000) during the last eight years. The notification requirement applies whether the purchaser is Norwegian or not.

Following is a list of contacts and resources available in Norway to help an U.S. business wishing to explore the country's investment climate or compare it with other European countries.

Major international accounting firms present:

PriceWaterhouseCoopers
Karenslyst alle 12
0278 Oslo, Norway
Tel: (47) 23 16 00 00
Fax: (47) 23 16 10 00

Arthur Andersen & Co. A/S
PO Box 228 Skøyen
0213 Oslo, Norway
Tel: (47) 22 92 80 00
Fax: (47) 22 92 89 00

KPMG Consulting A/S
P.O. Box 150 Bryn
0611 Oslo, Norway
Tel: (47) 22 07 22 07
Fax: (47) 22 72 42 60

Deloitte & Touche Statsutoriserte Revisorer AS
Karenslyst alle 20
PO Box 347
0213 Oslo, Norway
Tel: (47) 23 27 90 00
Fax: (47) 23 27 90 01

Ernst & Young A/S
P.O. Box 6834 St.Olavs Plass
0130 Oslo, Norway
Tel: (47) 22 03 60 00
Fax: (47) 22 11 00 95

TAXES:

Norway's corporate tax rates are not as high as many fear, and lower than the EU average. Both companies and branches are subject to income and capital tax. Income tax of 28 percent applies generally to all forms of income of corporate bodies and other entities liable to taxation. No tax allowances are provided.

Overall taxes in Norway, however, are quite high. The top personal income tax marginal rate is 49.5 percent (although there is a "surcharge" on incomes higher than that), and kicks in at such a low level that two-thirds of Norwegian workers are subject to it. The value added tax, after certain changes in 2001, will be 24 percent on most goods and services, but only 10 percent on food items. There are also very high taxes on automobiles, gasoline, real estate, financial assets, and other items. Overall, government spending equals half of GDP. Disposable income is much lower than apparent income per capita, but this is offset to some extent by generous state benefits such as mostly free health care, free tuition at public universities, grants for children, high state pensions (social security) etc.

A revised convention for the avoidance of double taxation between the United States and Norway came into force in 1972. It applies to national income taxes in the United States and Norway and to local income taxes in Norway. Its benefits apply both to individuals and to corporations in the two countries. The key for Norwegian taxation purposes is whether an American enterprise operates in Norway through a permanent establishment (article 4 of the convention), defined as a fixed place of business through which a resident of one of the contracting states engages in individual or commercial activity. If so, then all industrial and commercial profits made in Norway are taxable by the Norwegian government (and exempt from taxation by the United States). The identical rule applies, of course, to Norwegian-operated permanent establishments in the U.S.

ADVERTISING - RADIO/TV

All major types of advertising media are available in Norway. With the exception of the state-controlled Norwegian Broadcasting Corporation's (NRK) TV and radio stations, advertising on radio and television is now fully developed and a number of nationwide and local commercial radio stations compete in a growing market. City radio stations that broadcast during morning and evening commuter times are useful advertising vehicles.

The Norwegian television audience can now be reached via several commercial TV stations. TV 2 is a national station with excellent coverage. TV3, and Norway-based TV Norge are additional popular advertising possibilities. A minute of prime time on TV Norge costs about $5,000. Key Norwegian decision-makers can also be reached via CNN, CNBC and BBC World, which are available via cable or satellite in all major towns.

PUBLICATIONS

Norway has extremely high newspaper readership, with circulation figures audited by the newspaper publishers' association. Extensive demographic information concerning readership is available. Distinctions are drawn between the four major metropolitan areas and other, so-called trade districts, which number about 100.

Leading Oslo papers include Aftenposten, Dagbladet and Verdens Gang. While these papers are available throughout the country, local papers like Bergens Tidende (Bergen), Adresseavisen (Trondheim), and Stavanger Aftenblad (Stavanger) dominate their local areas. The business daily Dagens Naeringsliv reaches business and professional people nationwide, as does Finansavisen.

Major Norwegian business newspapers include:

Dagens Naeringsliv
Grev Wedels Plass 9
0151 Oslo, Norway

Tel: (47) 22 00 10 00
Fax: (47) 22 00 11 10

Finansavisen
Hoffsveien 70
Box 222, Solli
0204 Oslo, Norway
Tel: (47) 23 29 63 00
Fax: (47) 23 29 63 01

Aftenposten
Akersgaten 41
PO Box 1178 Sentrum
0107 Oslo, Norway
Tel: (47) 22 86 30 00
Fax: (47) 22 86 31 79

USE OF AGENTS FOR DEFENSE AND COMMERCIAL EXPORTS

Defense Exports

The Commercial Service in Oslo receives many inquiries about agents and consultants in Norway for securing government defense contracts. The query normally asks about the payment of commissions/fees and the Norwegian laws, regulations or informal policies regarding such payments. There are no prohibitions (under Norwegian law, regulations or informal policy) against using sales agents to make sales of defense-related products to Norwegian government agencies. Most foreign suppliers of defense systems and equipment are represented in Norway through agents. It should be noted that Norway regularly ranks among the most ethical countries in the world according to Amnesty International, and is known world wide for its public probity.

Commercial Agency Agreements

U.S. exporters often ask the Commercial Service at the U.S. Embassy in Oslo about their rights and obligations regarding agreements with Norwegian commercial representatives. There is no legal requirement, in most cases, for U.S. exporters to have a local representative. In many cases, however, the Commercial Service recommends that U.S. companies wishing to export goods or services to Norway find local representatives. Representatives can help U.S. firms adapt their exports to conform to cultural, technical and legal conditions in the Norwegian market. Representatives are also able to introduce the product or service to extensive networks of customers, and if necessary provide after-sales service and support. Consequently, even if local representation is not a statutory requirement, it may be a practical necessity.

This report briefly outlines the rights and obligations of both parties (principal and agent) in an agency agreement. The report should not be considered definitive or comprehensive, and any company considering entering into an agreement governed by Norwegian law should obtain professional legal assistance. On request, the Commercial Service (see Contacts below) can send a copy of the English language text of the Act on Commercial Agents and Commercial Travelers (Agency Act), no. 56

of 19 June 1992. The Norwegian Import and Export Agents' Association (see Contacts below) can also provide information about agents' rights.

Agency Agreements

Each agency agreement is a legally binding agreement between two parties, where the parties are mutually obliged and entitled to certain compensations. The agreement does not have to be written to be binding, but it often simplifies matters if it is written. This helps to clarify matters over what was agreed upon, especially several years after the contract was agreed.

There are no requirements stipulating the form or content of an agency agreement. For this reason the Norwegian Agent's Association has worked to establish standard agency contracts on a Nordic basis. These are based on the Norwegian Agency Law and EU directives governing agency agreements.

Agreement on Choice of Law

Most countries in Western Europe have legislation governing agency agreements. In December 1986 an EU directive was approved legislating agency agreements in all EU countries. On January 1, 1993, Norway implemented this directive through the Agency Act.

Perhaps one of the most important issues to settle when negotiating an agency agreement is which country's law will be used to settle any eventual disputes over the content of the contract. Section 3 of the Agency Act states that a provision which pursuant to the act is invariable may not be set aside to the detriment of a commercial agent or a commercial traveler through an agreement that the agency relationship shall be regulated by foreign law, if in the absence of such agreement the relationship would be subject to Norwegian law.

The Agent's General Obligations

In performing his or her activities a commercial agent shall look after the principal's interests and specifically:

1. make proper efforts to procure orders and, where it is part of the agency contract, conclude transactions,
2. inform the principal of orders procured and transactions concluded and of other matters of which the agent is aware that are of significance for the performance of the agency contract, and
3. comply with reasonable instructions given by the principal.

Commercial Agent's Care of the Principal's Goods

A commercial agent shall take proper care of goods and other items belonging to the principal which the agent has in his charge. The agent shall have such insurance as is customary in the circumstances. The principal's goods shall be kept separate from other goods. Where a commercial agent is entitled to receive payment for sold goods, he or she shall keep the amounts received separate from other monies. The agent shall give the principal an account of all amounts received.

Obligations of the Principal

A principal shall act dutifully and in good faith towards the commercial agent, and in particular:
1. provide the agent with samples, descriptions, price lists and other necessary documentation relating to the goods concerned,
2. obtain for the agent the information necessary for the performance of the agency contract, and
3. inform the agent without undue delay of acceptance, refusal and of any non-execution of a commercial transaction that the agent has procured.

Where the principal anticipates that the volume of transactions will be significantly lower than that which the commercial agent could normally have expected, he or she shall inform the agent accordingly without undue delay.

Commissions

The parties are completely free to determine additional content in the agency contract, including size of commission and commission settlement. Where the parties have not agreed on the level of remuneration, a commercial agent shall be entitled to such remuneration as is customarily allowed in the area where the agent carries on his duties. If there is no such customary practice, remuneration shall be fixed at a level deemed reasonable taking into account all the aspects of the agency contract. U.S. exporters should refer to sections 10 to 17 of the Agency Act for a detailed explanation of when an agent has the right to collect commission.

Protection for the Agent

There are three elements in the Agency Law that give the agent some form of protection. These concern notice of termination, right to payment for termination and compensation for loss. These three elements are compulsory, meaning that the parties cannot exempt themselves from these rights. The agent is not protected against termination of the contract itself, just against untimeliness in association with termination. Every agency contract should be able to be mutually terminated in a purely businesslike manner.

Compensation

Should the commercial agent or the principal fail to fulfil their obligations pursuant to the agency contract or pursuant to the Agency Act, the counterpart is entitled to claim compensation for any resulting losses. This shall not apply if the other party can prove that such failure is not due to error or negligence on his or her part.

Termination notice

According to the Agency Act, section 25, the agent has the right to maximum six months termination notice. Notice is one month for the first year, and can be extended by one month for each commenced year the agency agreement has been in effect, up to a maximum of six months notice. Termination notice is calculated in whole months from the following month.

The right to notice of termination should be understood such that termination can occur with immediate effect, but that the agent has the right to compensation for reduced notice. The agent has the right to usual commission for all orders brought in during the period of notice, in addition to orders scheduled for delivery after expiry of notice.

Payment of Indemnity

When an agency contract is terminated, the commercial agent is entitled to an indemnity if and to the extent that:

1. the agent has brought the principal new customers or has significantly increased the volume of business with existing customers and the principal will continue to derive substantial benefits from the business with such customers, and
2. the indemnity is equitable having regard to all the circumstances, including the commission lost by the commercial agent on contracts with customers.

The amount of the indemnity due with regard to points one or two will not exceed a figure equivalent to one year's commission. This amount shall be calculated on the basis of the commercial agent's average annual remuneration over the preceding five years. If the contract goes back less than five years the indemnity shall be calculated on the basis of the average for the period in question.

For Further Information

There are many other provisions governing the Principal/Agent relationship in the Agency Act. Any U.S. exporter considering signing an agreement with a Norwegian representative should acquaint themselves with their rights and obligations under this law, and if necessary seek professional legal advice for assistance in drafting the agreement. U.S. exporters can obtain an English language version of the law text from the American Embassy in Oslo upon request.

CONTACTS

American Embassy
Commercial Section
Drammensveien 18
0244 Oslo, Norway
James Koloditch, Commercial Counselor
Tel: (47) 21 30 88 66
Fax: (47) 22 55 88 03

Import and Export Agents Association
Federation of Norwegian Commercial and Service Enterprises
Drammensveien 30
P.O. Box 2483 Solli
0201 Oslo, Norway
Herman Thrap-Meyer, Director
Tel: (47) 22 54 17 00
Fax: (47) 22 56 17 00

Considering its relatively small national population, Norway has exceptionally strong markets in the technology sectors. Information technologies and medical technologies exhibit the highest sector growth and the greatest potential for U.S. exporters. While the oil and gas industry is the dominant economic engine for the country, increasingly it is the services sector that drives business in Norway. Below are the best U.S. export prospects as seen from the Commercial Service of the American Embassy in Oslo, listed by the relative order of importance. An analysis of Norway's agricultural and food sector is also included in this chapter.

Non-Agricultural Sectors:

1. Telecommunications
2. Computers and Peripherals
3. Medical and Dental Equipment and Supplies
4. Computer Software
5. Oil and Gas Field Equipment
6. Drugs and Pharmaceuticals
7. Travel and Tourism
8. Franchising

RANK OF SECTOR: 1
NAME OF SECTOR: TELECOMMUNICATIONS
SECTOR CODE: TEL

The market for telecommunications services is very promising and holds great opportunities for companies with state-of-the-art technology who are not afraid of competition. Norway has the highest per capita telecommunications expenditure in the world at $800. It has very high telecommunications penetration, with a rate of 65 main lines per 100 inhabitants. All main lines in Norway are digital. Moreover, Norway has the world's highest mobile teledensity after Finland. The country has a very well established telecommunications infrastructure that supports and carries Internet access to some of the most remote parts of Europe. Norway's telecommunication services market is estimated at $3 billion annually, of which $2.5 billion is accounted for by the regular and cellular telecommunication services.

Mobile communication is an important growth area in Norway, although development of UMTS networks may not be as rapid or extensive as first thought. In fall 2000 the Norwegian government issued four licenses for companies to build and operate the next generation of mobile UMTS networks. At this time, it appears that only two concession winners will be able to fill their concession commitments for UMTS networks. For example, for Tele2 to be able to meet their promise to have 800 base stations completed by December 1, 2001, they will have to build 33 a week. Few believe this is possible. While GSM incumbents, Telenor and Netcom, seem to be on schedule for their UMTS network development, Tele2 and Broadband Mobile are struggling. There are rumors that they may wish to abandon their own network development and piggyback onto the efforts of the incumbent operators.

Norway is a leader in Internet services to mobile terminals via Wireless Application Protocol (WAP). Telenor (Norway's largest telecom company) was the first company in the world to launch a WAP portal. Although WAP-fever has cooled off in 2001, there is

still significant investment in this area. Mobile Commerce is already becoming a reality. Motorists can already pay for parking via their cell phones.
Banks are developing mobile wallets so that customers can load, say $100, from their bank accounts on to their cell phones and pay for transactions instantly with the phone. These services are driving the demand for secure transaction processing software. Bluetooth services are also being launched. Companies are combining WAP, Bluetooth and positioning services to help users locate local facilities and to navigate to their destinations over land and sea.

The demand for broadband communications is expanding very rapidly. Telenor has been developing broadband capacity through four channels: copper terrestrial network, coaxial cable, digital ground-based broadcasting network and digital satellite distribution. The terrestrial network is currently being upgraded to ADSL. These channels are being sewn together into a "Hybrid Broadband Access Network." The goal is to be able to connect practically every household in the country to this network in two to three years.

There are opportunities to enter telecommunications services as value added service providers. Perhaps the surest way to enter this arena is to enter into a partnership with a local company or a network license holder. This is true for both the terrestrial and the wireless networks. There are also possibilities to provide services directly to the end-user. The call-center market, for example, is growing rapidly as e-business activities increase. Broadband wireless communication is also a promising growth area, especially as oil and gas activities stretch northward on the Norwegian Continental Shelf. The U.S. has great experience it can transfer in such fields. Despite the fact that Norway and the Nordics aspire to world leadership in telecommunications (especially in wireless), U.S. technologies and services are very highly regarded, and there are many areas where the U.S. has know-how it can transfer.

RANK OF SECTOR: 2
NAME OF SECTOR: COMPUTERS AND PERIPHERALS
SECTOR CODE: CPT

In per capita Internet access Norway ranks highest in the world, with vast quantities of data being transmitted to and from computer terminals. Norway's 4.4 million inhabitants receive twenty-five million e-mail messages every day.   Internet access has increased more than ten-fold since 1994. This could not have happened without very heavy investment in computers and peripherals. Norway has the highest PC penetration per white-collar worker in the world. Imports of hardware have skyrocketed in recent years, from USD 2.4 billion in 1996 to USD 3.7 billion in 2000.   This is a growth of 54 percent in the ICT hardware market, compared to 27 percent growth for imports generally. In the past, most of this growth has been in the PC market. Perhaps the strongest future growth area in hardware will be in the data-storage sector as banks, e-businesses and applications service providers are required to store more and more of their clients' data.

Norway does have some domestic hardware production capacity. CINET, for example, produces PCs and Servers. Dolphin Interconnect Solutions and Kongsberg Electronics produce computer cards, chips and components. ASK and Davis produce multi-media projectors and digital displays. Tandberg Data produces video conferencing equipment. Sospita produces software security tokens and smart cards. All these companies are potential customers of U.S. hardware component manufacturers.

Over 100 important manufacturers, importers and distributors compete in this market, most of them handling both hardware and software packages, as well as peripherals, accessories and services. However, due to the fierce competition in the hardware market, it may be time consuming to find suitable companies available to handle new hardware products, unless the products have documented advantages over existing available equipment.

Since Norway is a member of the European Economic Area (EEA), it has eliminated its duties on practically all industrial products originating in other EU nations. The agreement provides for virtually free trade in industrial goods between Norway and EU member countries. Other than electrical testing approval required for hardware destined for the consumer market, there are no significant obstacles for exporting IT technology to Norway.

Norway uses the Harmonized System (HS) for commodity classification. Generally, the import duties are relatively low on products imported from third country suppliers. Quality assurance is said to be paramount for all equipment destined for the Norwegian offshore market, and is generally preferred in the inland market. Norway has to a large degree adopted the ISO 9000 standards for quality assurance (QA) and quality control (QC).

Electrical equipment sold and used by the public (consumer electronics and household electrical appliances) must have an approval from NEMKO, or similar control establishments within the EU. Electric current throughout Norway is 50 cycle, 220 volt A.C, single and three phase.

According to Norway’s Ministry of Trade and Industry’s (NHD) IT Plan, there is a relatively high level of corporate IT investment per capita compared to other industrial countries. Also, in the educational sector Norway has a high level of investment in PCs. Norway’s goal is a level of access at the upper secondary level of five pupils per PC. At the lower secondary level and combined primary/secondary school level, there is an access ratio of 1 PC per 15 pupils, and at the primary school level there is one PC for every 20 pupils.

In light of the above paragraph it can safely be stated that there is a strong demand for IT equipment in the commercial and educational sectors. The Norwegian Government is also promoting tele-commuting, so that employees can work from home. This will lead to substantial investment in computer hardware.

ICT Hardware Market (Covers Best Prospect 1 and 2)

(US$ million)	1999	2000	2001 (proj)
A. Total Market Size	4386	4768	5245
B. Domestic Production	2489	2558	2814
C. Total Exports	1362	1515	1667
D. Total Imports	3259	3725	4097
E. Imports from the U.S.	560	633	819

The above statistics are unofficial estimates.

Imports of ICT by sub-sector, CY 2000

Subsector	Imports, $ millions
Telecommunications Equipment	1006
Consumer Electronics	415
Computers	1494
Electronic Components	404
Office Machines	114
Measurement and Control Equipment	286

RANK OF SECTOR: 3
NAME OF SECTOR: MEDICAL AND DENTAL EQUIPMENT AND SUPPLIES
SECTOR CODE: MED, DNT

The health and social welfare system in Norway is predominantly publicly financed, mainly by a national insurance tax. The national insurance, or social security, is a collective insurance plan to which all in Norway belong. Persons who fall ill in Norway are guaranteed medical treatment and user fees are limited – no one pays more than USD 150 per year for public health services (not including dental care costs, which adults must pay on their own).

Norway has a small population and is sparsely settled. The responsibility for the Norwegian health services is therefore decentralized. The country has five health regions, 19 counties, and 435 municipalities. Each is responsible for its part of the health service. There are currently 5 regional and 70 central/local somatic hospitals in Norway. The 5 regional hospitals are located in Oslo (2), Bergen, Trondheim, and Tromso. Four of the five regional hospitals are owned by the counties; the national hospital in Oslo (Rikshospitalet) is owned by the State. In addition, there is the State Cancer Hospital (Det Norske Radiumhospitalet) in Oslo. The Government has recently announced plans that the state will take over all the regional and central/local somatic hospitals in Norway by the end of 2001. This means that all public hospitals will be organized as wholly owned government business units under the management of five regional state health care units.

There are approximately 1-2 clinical facilities in each county, under the supervision of a regional or university hospital. Each regional hospital includes a medical, surgical and emergency section. In the larger regional hospitals one finds the more sophisticated and higher-technology medical equipment.

In addition, there are some 20 smaller private medical centers providing acute surgery and limited medical treatment operations. Competition is strong among these clinics, and the best and most modern equipment and services will always be of interest. Since there are bottlenecks and waiting lists (often long) in the national health care system, there will always be a market for private medical clinics to provide services to individuals or groups who are able to "buy" themselves away from the waiting lists of the national health care system.

The bottlenecks may also provide service opportunities. For example, Norway is critically short of nurses because of low pay (recently addressed partially through a significant salary increase) and is importing them. About 5000 additional nurses are needed. This equals a shortage of perhaps 300,000 in the U.S. Methods or special equipment that would increase service quickly at low cost could find a receptive audience in the government.

Norway has also allocated funds over the national budget (about USD 120 million for the year 2001) for the National Insurance Administration to send patients on waiting lists abroad for treatment. This special project is managed by the National Insurance Administration and is in principle open to any foreign health care provider that can document meeting the standard and type of service required.

Increasingly sophisticated diagnostic methods and highly specialized treatment methods are being developed. Telemedicine and biotechnology are improving and both represent areas of focus. Within telemedicine the GON expects significant potential for radiology (e.g., work sharing among hospitals), specialist consultations within the ear-nose-throat field (e.g., video conferencing), specialist consultations in dermatology (e.g. video conferencing and still picture technology), and cardiography (e.g., heart rhythm/sound comparisons). Telemedicine is seen as an important part of future acute medical care. In Norway, more than 60 percent of the population have Internet access, and 70-80 percent of all adults have access to cellular phones. For a small population with remote settlements, telemedicine presents a real opportunity to provide better services at lower costs.

Norway has come relatively far in developing and utilizing statistics and medical data, and continued efforts are expected along these lines. The same can be said about the development of information technology to support these activities.

Demographically, Norway is growing older. In particular, the oldest segment of the population is expanding; this represents an extra burden for the health care system. Nursing and care for the aged must be given higher priority. There are indications that there will be growing opportunities for private initiatives in these areas. Around 40 percent of population aged 67 and above require and receive help in the home, while 8 percent live in a nursing home. Social security also provides dysfunctional persons with support for medical expenses, practical help and care at home, the acquisition of mobility and other aids, and if necessary, even specially equipped cars.

There are about 2,300 private practicing dentists in general dental clinics in Norway. In addition, there are about 280 private practitioners with dental specialties, and about 300 dental technicians in Norway. The Public Dental Health Service employs about 1,000 dentists. In Norway, private practitioners mainly provide dental care for adults. They obtain their income from fees paid by their patients. People 20 years and older meet nearly all their own costs for dental care. There is no subsidy scheme for adults. Until 1995, there was a fixed fee schedule for dental care. The fee schedule was then abandoned, and market forces have since determined fees. The number of group dental practices in Norway is expected to increase, primarily due to the trend toward private practitioners wanting more flexible work arrangements.

The GON has announced comprehensive plans to modernize old equipment currently being used in many major hospitals in Norway. These investments always depend on the national budget situation and may be subject to revision and cost cutting in several areas.

The Norwegian health care system spends a lot of money. Its equipment is often state of the art. This will continue to be true, so Norway remains a good market for medical equipment. It is looking, however to get more for its money. Equipment and services that make health care services more efficient and effective will also find a market.

The most promising subsectors for U.S. suppliers of medical equipment and supplies include surgical instruments and equipment, diagnostic apparatus, orthopedic equipment, medical disposables, monitoring instruments and equipment, and laboratory/pathology instruments and equipment. Best sales prospects for U.S. dental suppliers in Norway include general dental, surgical and laboratory supplies and materials, and advanced technical and electronic equipment, such as digital x-ray systems.

Medical and Dental Equipment and Supplies:

Estimates in $million)	**1999**	**2000 (est)**	**2001 (proj)**
A. Total Market Size	516	561	620
B. Domestic Production/Sales	195	199	210
C. Total Exports	58	60	65
D. Total Imports	379	422	475
E. Imports from the US	118	129	142
Exchange Rate:	7.8	8.6	9.2

RANK OF SECTOR: 4
NAME OF SECTOR: COMPUTER SOFTWARE
SECTOR CODE: CSF

Software sales growth in Norway continues to make it a good prospective market for software developers and those selling services into the market. The Internet rationalization going on right now has not slackened demand substantially for software. Indeed, sales are expected to rise.

Software companies revealed year 2000 sales of approximately USD 600 million, growing 12.5% from 1999. Systems software sales grew by 14.6 percent to USD 331 million, and application software grew 13.7 percent to 307 million. Growth rates for 2001 are expected to be around 17.2 percent and 13 percent, respectively, for systems and application software. However, with the development of the Open Source phenomenon it is difficult to measure how much software is actually being imported into Norway. Another growing vehicle for software delivery is through Application Service Providers. Norwegian software distributors and integrators are looking for leading edge solutions, not “bleeding” edge solutions. As an early adopter market, Norwegian purchasers are willing to try market ready solutions that need a commercial market. Internet protocol and transaction security solutions are particularly popular.

In addition to CAD/CAM software for the shipping and oil and gas industries, demand is also solid within the furniture and textiles industries. Engineering software development within these sectors has very good potential, in addition to specific applications within Norway’s large public sector and banking and finance institutions. Demand for consumer and office software packages is also strong, although consumers tend to purchase off-the-shelf products, or products already bundled with the hardware they purchase. Software to facilitate education and distance learning has promising prospects in the Norwegian market.

Computer Software Sales in Norway (USD Millions)

	1999	**2000**
Systems Software	287	331
Applications	270	307

U.S. software developers should nearly always try to partner with a local Norwegian company. Local competence is extremely high, with several Norwegian software develops operating on a global scale. Norwegian end users also tend to doubt that without a local partner, non-Norwegian software developers will be able to understand local conditions, especially for development of administrative and financial solutions.

There are no significant restrictions in market access for software sales in Norway. Illegal software copying is not a major problem in Norway. No widespread organized crime has been registered, but the trade estimates an annual loss of USD 120 million in pirate products, particularly stemming from illegal, inexpensive copies imported from the Far East. Computer software marketed and sold in Norway normally is protected under the "Intellectual Property Law's Chapter 11," The Marketing Act or the Unfair Competition Law. Although illegal copying normally has been for internal use and primarily is due to limited information provided by the suppliers, USCS Oslo recommends American software companies inform and make a very explicit contract with any prospective business partner that would translate, modify, sell, etc., proprietary software in the Norwegian market.

The end users of software products in Norway are many and diverse. They generally tend to reflect the broad and differing needs within Norwegian society, ranging from engineers in large industrial concerns, to administrative and financial employees in government entities and business, to students. Due to the wealth in the country there has been substantial widespread investment in top-of-the-line software products, across the board. Companies that translate their programs into Norwegian will obviously have a great advantage in marketing. This is more important for programs serving highly populated user groups. For software with limited and specialized applications there is high acceptance of non-localized English language programming.

RANK OF SECTOR: **5**
NAME OF SECTOR: **OFFSHORE OIL AND GAS EXPLORATION AND EXPLOITATION EQUIPMENT, INCLUDING PIPELINE SERVICES & EQUIPMENT**
SECTOR CODE: **OGM**

Norway is currently the world's third largest net exporter of crude oil. Crude oil production reached about 3.1 million barrels per day in 2000. Norway exports about 90 percent of its oil production. It has three percent of the world's natural gas reserves and by the year 2005 is estimated to be one of the five largest producers of gas in the world. In Europe, Norway's position as an oil and gas nation is even more significant, in that Norway sits on about half of all remaining petroleum resources in Europe. It supplies 10 percent of Europe's gas consumption today and within a few years will increase gas exports dramatically and account for 30 percent of European gas imports.

In 2000, oil and gas made up about 46 percent of Norway's exports, over 30 percent of total investments, and about 22 percent of GDP. About 90,000 people work in Norwegian oil and gas related industry today. The oil and gas industry sector in Norway is <u>only</u> offshore. There is <u>no</u> onshore production.

From 1971 (the start of Norway's oil and gas activities) to 1996, a total of USD 200 billion was invested in exploration, construction and operations on the Norwegian continental shelf. Similar investments are expected from now until 2025, provided that the price of oil stays at a "reasonable level" by Norwegian standards.

A rise in petroleum investments has been an important factor behind the upturn in the Norwegian economy since 1996. As expected, investments fell considerably in 2000, and a slight decline is also expected for 2001. The sharp rise in crude oil prices from 1999 has prompted oil companies to reassess their investment plans, however, so the decline is expected to be slightly less than envisioned earlier. <u>Statistics Norway</u> now estimates total investments in oil and gas extraction and pipeline transportation for 2001 at USD 5.5 billion.

Production on the Norwegian Continental Shelf is expensive, and is not profitable when prices go below USD 11 per barrel. At current price levels of USD 25-30 per barrel, forecasts from the Norwegian Petroleum Directorate indicate that exploration and investment may pick up again.

Regardless, this sector is so important to the Norwegian economy that it will continue to present major opportunities for American companies. Resource estimates from the Norwegian Petroleum Directorate show that only one-third of the oil – and only nine percent of the natural gas – believed to exist on the Norwegian continental shelf has been produced so far. In addition, about 150 small and medium-sized discoveries await development. Thirty will be developed over the next ten years and an additional 50 in the subsequent decade, according to estimates from the Norwegian Petroleum Directorate.

As cost overruns are of major concern, any US firm providing cost-effective solutions in this market will have a good chance of success. The future challenge on the Norwegian continental shelf lies in developing new, more simple technology, even better drilling methods and seismic technology, deepwater development, and operations run by remote control on the seabed or down in the production wells. Norway continuously seeks new and proven technology to be used in deep and remote northern waters.

The most promising subsector for U.S. suppliers continues to be drilling and well completion technology, which had an estimated market of USD 400 million (incl. services) in 2000. As oil and gas fields are depleted and production ceases, investments will also be needed on abandonment or alternative use of installations. Several pipeline projects of significant size and investment are also currently underway.

Close connections between the shipbuilding and maritime industry and the oil and gas industry have created new opportunities in specialized offshore areas, such as floating production and storage facilities. A wide range of offshore services, products and processes have been developed in tandem with the Norwegian shipbuilding and maritime industry.

An effective way to increase market exposure and sales in Norway's oil and gas market is to exhibit at Offshore Northern Seas, a major international oil and gas show organized in Stavanger, Norway, and next scheduled for August 27-30, 2002. The U.S. Commercial Service organizes the U.S. Pavilion at the show. For more information, contact the U.S. Commercial Service at the U.S. Embassy in Oslo.

Offshore Oil and Gas Exploration and Exploitation Equipment:

(Estimates in $ millions)	**1999**	**2000 (Est)**	**2001 (Proj)**
A. Total Market Size	1,306	1,045	1,025
B. Domestic Production	800	640	580
C. Total Exports	205	165	145
D. Total Imports	711	570	590
E. Imports from the U.S.	430	344	360
Exchange Rate:	7.80	8.60	9.2

RANK OF SECTOR: 6
NAME OF SECTOR: DRUGS AND PHARMACEUTICALS
SECTOR CODE: DRG

Sales of drugs and pharmaceuticals from wholesalers to Norwegian pharmacies and hospitals increased by 9.7 percent in 2000 to USD 850 million (based on pharmacy purchase prices – PPP). Sales from pharmacies to consumers (based on pharmacy retail prices) amounted to USD 1.3 billion in 2000, up from USD 1.18 billion in 1999.

Consumption measured in daily doses showed a 5.2 percent growth rate in 2000 relative to 1999. A significant reason for the growth rate is the transition to new, more effective, and often more expensive medicines with fewer side effects. Among these are newer medicines for rheumatic conditions, asthma and cardiovascular diseases. Norway's population is aging, increasing the need for medicines. Another reason for the growth is that new medicines have made it feasible to treat patients who previously could not be given adequate treatment with available medicines.

Best prospects for U.S. suppliers are still drugs associated with the treatment of cardiovascular diseases, high cholesterol, high blood pressure, gastric ulcers, asthma, allergy, depression, and pain relief. Around 3,100 medicines, including all strengths and dosages, are currently on the Norwegian market. Medicines for cardiovascular diseases, asthma and mental illnesses dominate the list of medicines with the highest sales in Norway in 2000. Prescription medicines tend to cost more than non-prescription medicines, so prescription medicines also dominate the list. Only two medicines on the list are available in non-prescription packages. Measured in terms of the number of packaged units sold, the picture is somewhat different. Here, the list is dominated by non-prescription medicines, with drugs for pain and nasal congestion being the most popular.

Despite the high number of acquisitions and mergers in the pharmaceutical industry, the industry is still very competitive, with no one having a market share above 10 percent. Aggregate sales of the top 25 pharmaceutical companies in Norway totaled USD 710 million in 2000. Norway's largest pharmaceutical company in 2000 was AstraZeneca with sales of USD 82 million. Following the merger of Glaxo Wellcome and SmithKline Beecham at the end of 2000, GlaxoSmithKline would now be the largest phamaceutical company in Norway with a combined 2000 turnover of USD 83 million. The next three largest pharmaceutical companies on the list are Pfizer, MSD (Merck), and Pharmacia. Three parallel importers are found among the 25 companies with the highest turnover: Paranova, Farmagon, and Euromedica. Their combined sales were USD 53 million in 2000.

The pharmaceutical industry may be the most regulated of the Norwegian industries. In Norway, the authorities (the Norwegian Medicine Control Authority) set the price on prescription medicines. Non-prescription prices have been set by the market since 1995. Norwegian pharmacy purchase prices were, in spring 2000, on a par with other European countries. A new price determination system implemented in mid-2000 seems to have brought Norwegian medicine prices down.

Pharmacies have also been highly regulated in Norway with a virtual monopoly to a privileged few proprietary pharmacists protected by outdated laws and regulations. A new pharmacy act has come into effect at the beginning of 2001, opening this area to competition and allowing foreign investors to own individual pharmacies or chains of pharmacies. Major structural changes and competitive positioning are going on in this sector at the moment.

Health care in Norway is publicly funded. The largest part of medicine consumption is financed through the National Insurance Administration's reimbursement of most prescription medicines. The Norwegian Government funded 64.5 percent of total medicine costs in 2000. The private share includes the patient's expenditure on non-prescription medicines, non-reimbursable prescription medicines, and co-payment for reimbursable prescription medicines. The maximum level of co-payment for reimbursable prescription medicines in 2000 was about USD 150 per patient.

Drugs and Pharmaceuticals:

(Estimates in $ million)	1999	2000 (Est)	2001 (Proj)
A. Total Market Size	658	710	782
B. Domestic Production/Sales	210	220	242
C. Total Exports	212	200	220
D. Total Imports	660	690	760
E. Imports from the U.S.	64	68	75
Exchange Rate:	7.8	8.6	9.2

RANK OF SECTOR: 7
NAME OF SECTOR: TRAVEL & TOURISM
SECTOR CODE: TRA

The United States is the among most important long-haul vacation destinations for Norwegians. In 2000, 147,540 Norwegians departed for the U.S., up 1.3 percent from 1998. Official travel statistics reveal that Norwegian visitors to the U.S. are increasing:

1998: 142,583
1999: 145,601
2000: 147,540

The Norwegian economy is currently very healthy. Unemployment is very low and economic growth will exceed 2 percent his year. Average Norwegian income is among the highest in the world at USD 35,000.

Also, Norwegian workers recently negotiated an increase in their annual vacation. It will reach five weeks by 2003 years. This is expected to diversify Norwegian travel. Norwegians have tended to use most or all of their vacation in the summer. The extra vacation will probably be used at other times of the year, allowing less saturated travel opportunities and more evenly spread revenues.

Norwegians are experienced and increasingly sophisticated travelers. Many have visited their families, concentrated in the upper Midwest, and have journeyed to the major tourist destinations such as New York, Florida, and California. Recently, they have been venturing further into America's heartland. Some are looking for more active vacations, with a combination of some kind of sport, for instance golf, or tours with a gastronomic or historical theme, etc., while other groups like to relax completely with their closest family members, at a quiet location or on a cruise. The vacation group most increasing their vacation activities is the group over 65 years.

One of the best ways to increase market exposure and sales in Norway's tourism market is to partner with a credible and visible partner there. A number of travel agencies and wholesalers focus on the U.S. A second proven method (which also furthers the first method) is to exhibit at Reiseliv, the Norwegian travel and tourism show held each January. This show is extremely well attended by both the trade community and the general public, and gets bigger every year. The U.S. pavilion there has become the largest in the Nordic region. A third is to join the Visit USA Committee of Norway, which sponsors many activities that will help increase your exposure in

Norway. For more information, contact the U.S. Commercial Service at the U.S. Embassy in Oslo.

RANK OF SECTOR: 8
NAME OF SECTOR: FRANCHISING
SECTOR CODE: FRA

There is very little franchising information available in the Nordic countries. However, franchising continues to be a promising and growing business concept in Norway. Conditions are improving, including more private capital spending, accelerated industry deregulation, as well as an increased demand for goods and services.

The total number of franchisers exceeds 184, of which 45 franchise across the border. The number of franchise outlets in Norway is estimated at 7,253 and franchise operations handle about 18 percent of domestic retail volume. Franchise systems of Norwegian origin take the lead in accounting for 76.5 percent, followed by the U.S. with 9.2 percent. It should be noted that all these figures include supermarkets, which in Norway are operated under franchises, although the systems have elements of what we would call cooperatives in the U.S.

The overall projection for the franchise sector in Norway over the next two years is optimistic, the number of franchisers is expected to rise by approx. 10 percent, especially in the hotel/restaurant, service and retail industries. Total sales are projected to rise at an average of 10-12 percent. Franchising has grown by 51 percent since 1990 and employs about 50,000 people.

The most promising subsectors are:

--Retailing, especially apparel
--Cleaning and maintenance services, both indoor and outdoor
--Dry cleaners
--Print shops and frame shops
--Business to business services
--Health care, including doctors and dentists
--Personal grooming (hair care, etc.)
--Training
--Hotels
--Pharmacies (a government-maintained monopoly will end this year)

As a rule, there are no general restrictions in Norway regarding equity participation for foreign franchising investors. A foreign investor may therefore own up to 100 percent of a Norwegian company.

The franchise agreement must comply with national law, European community law and the Code of Ethics and any national extensions thereto. The master franchise fee in Norway depends on the standards set by the master franchise contract. As a small country, with a population of about 4.45 million and the fact that the concept might not already be established in the Norwegian market, the master franchisee might need to invest significantly. The franchise fees can be lower than in most other European countries.

AGRICULTURAL SECTORS:

Farm/food policy, trends and narrative information:

- soybeans
- wheat
- pet foods
- rice

FARM AND FOOD POLICY

Norwegian agricultural policy has been the focus for rather widespread discussions in recent years. Farming has for many years been highly subsidized and protected, resulting in surpluses of many products, especially milk products, at costs far above international levels. Norwegian agriculture has also been protected from international competition by quantitative restrictions on imports of various products as well as outright bans on imports of products for which Norway aimed at self-sufficiency. Rural development, self-sufficiency and the discouragement of excessive migration into urban areas have been the principal factors behind these government policies. Norwegian agricultural policy is dealing with the new challenges in connection with WTO and EEA. This can be summarized in six points:

* Simplify the agricultural model by reducing detailed control of agriculture, and listen to market signals.

* Let prices set the balance between the supply and demand and thereby adjust production. This should result in the disappearance of costly exports or dumping.

* There is a wish to reduce the costs in agriculture by allowing larger farms, particularly for grain production.

* The restructuring of the grain and feed policy (reduced prices to farmers) will continue, which will make grain production more efficient and reduce feed costs to farmers.

* Direct support will be used to achieve priority goals, but the support will be independent of the size of production.

* Agriculture will still have responsibility for settlement in the districts. This means that farming requiring a larger labor force in the district will have priority for direct farming subsidies.

THE NORWEGIAN IMPORT REGIME

As a result of the Uruguay negotiations, when Norway became a WTO member in January 1995, it changed its import regime from quantity restrictions and bans to tariffs. However, today's customs protection has resulted in a market very difficult to penetrate. This is especially the case for products competing with Norwegian production. Although Norway implemented the bound rate of duty already in 1995, the duty is so high that no products will be imported when Norwegian products are available. Furthermore, Norway is using administrative tariffs, which means that they are opening and closing the market with only four days notice as to need. Exporters from the U.S. have been hit by this practice several times. Norwegian importers do not wish to make long term contracts, and are covering their needs in the EU spot market.

NORWAY BEFORE THE NEW WTO NEGOTIATIONS

Norway's approach to the new WTO negotiations is focused on the so-called non-trade concerns (NTC) and "multifunctional" agriculture to protect its agricultural interests. Norwegians define the NTC as, inter alia, food security and environmental protection. They also include rural employment and the maintenance of human settlement in sparsely populated areas. Multifunctional agriculture is more defined as having functions in the rural area other than the primary role of producing food and fiber, including retaining the population and ensuring the viability of rural areas. Should the Norwegian view win in the negotiations, it would hinder expanded trade with Norway in the years to come. The border to Norway is already difficult for U.S. exporters because they face high tariffs, as well as bans on hormone meat and GMO products.

TRADE TRENDS

Norway is a net importer of agricultural products, importing approximately $2,413 million in 2000 while exporting roughly $683 million. About half of Norway's imports of agricultural products consist of consumer-oriented high value products. Most of the latter come from the horticultural and tropical products group and comprise fresh fruits (oranges, bananas, apples and grapes), dry edible nuts, fruit and vegetable juices, fresh vegetables, snacks, chocolate and chocolate products, wines, pet food, live plants, cut flowers and foliage. The top ten suppliers of this group of products are the Netherlands, Denmark, Sweden, Spain, Germany, United States, Italy, France, Israel and Switzerland.

The U.S. share of Norway's agricultural trade in CY 2000 stood at US$ 129 million (5.3 percent of imports) and US$ 57 million (8.3 percent of exports). Most U.S. exports to Norway consists of leaf tobacco, cotton, grains, fruit and nuts, peanuts, breakfast cereals and hardwood lumber, while the U.S. imports from Norway include cheeses, fats and oils. The best market prospects in Norway appear to be rice, tropical products, fresh vegetables and a full range of consumer-oriented high value products such as snack foods, processed fruit and vegetables, fruit and vegetable juice, tree nuts, wine and beer and pet foods.

DISTRIBUTION SYSTEMS - CONSUMER-READY FOOD PRODUCTS:

Norway's retail grocery trade is highly diversified, and includes independent grocers, consumer cooperatives, and chains, some of which are operated by wholesalers. In 2000, Norway had 4,589 grocery stores with sales of NOK 97.4 billion (US$11 billion). Generally, grocery stores account for 75 percent of retail food sales, including fresh, frozen, and canned goods as well as non-alcoholic beverages and non-food items. Specialty stores such as bakeries, meat stores, candy stores, gas stations, and state wine and liquor stores account for the remaining 25 percent. Four large wholesalers handled about 50 percent of Norwegian food distribution to retailers in 2000.

In 1997, three of the largest retail chains, covering 86.1 percent of the retail grocery market, introduced bonus cards to the consumers. The idea was to make the consumers more faithful in their buying pattern. The three retail chains today compete for about 2.8 million customers. However, in 2000 the bonus card system does not seem to have much influence on the consumers' choice stores. Consumers have either several cards, or they go for special offers in the stores.

BEST PROSPECTS FOR AGRICULTURAL SECTOR

Name of Sector: Soybeans
Tariff Code: 1201

Traditionally, Denofa has bought about 50 to 60 percent of its soybeans from the U.S. every year. In 1995 this market share grew to more than 80 percent, with even greater concentration expected thereafter. Beginning in 1996, consumer organizations and the country's principal retail food chains forced Denofa to import from other than U.S. sources. This was entirely a reaction to the U.S. introduction in 1996 of the first Round-up ready (GMO) soybeans, which local Norwegian groups insisted be segregated and labeled, an option commercially unviable for Denofa. Consequently, Denofa at the moment sources its imports, as last year, mostly from Brazil, but also some from the Netherlands. In 2000, Norway bought 408,000 tons from Brazil and 6,000 tons from Netherlands. Unless U.S. suppliers are willing to segregate their GMO soybeans, Denofa will most likely continue to import soybeans from non-U.S. suppliers. We expect no U.S. imports in 2001. For 2002 we expect most soybean imports still to come from Brazil, as this is the only country not producing GMO beans. Norway is well aware of offers of identity-preserved beans from U.S., but is not willing to pay the extra price. If the GMO subject is solved, we expect soybean import from U.S. at a value of US$ 60 million in the future. Denofa has now completed building of their crushing plant that will have a capacity of 390,000 tons. However, their import in 2000 of 414,000 tons was more to secure GMO free beans.

	1999	**2000**	**2001**
A. Total market size in '000 tons	375	390	390
B. Total local production in '000 tons	0	0	0
C. Total imports in '009 tons	360	414	390
D. Total imports from U.S.	0	0	0
E. Total Value of Import US$ million	70	80	80
Exchange Rate	7.50	8.80	9.3

Name of Sector: Wheat
Tariff Code: 1001

Total market size of wheat in Norway is based upon a combination of domestic production and import. The overall consumption of food wheat is very stable, around 325,000 tons each year. On January 1, 1995, Norway abolished a state-controlled import monopoly on grain and feed to conform to WTO regulations. However, the new government trading company Statkorn A/S, has a very strong position in the market after having invested strongly in both the food and feed industry. This company covers about 60 percent of the feed market, and owns about 70 percent of the milling market. The U.S. has supplied food wheat to Norway for years. Imports from the U.S. have almost disappeared the last two years, and in year 2000, importers of wheat from U.S. were hit by an extra control tax of US$ 3 per ton due to Karnal Bunt problems in US. At the moment we see this as a trade barrier which has to be solved if US exporters are to be able to sell to the Norwegian market.

	1999	**2000**	**2001**
A. Total market size in '000 tons	680	549	550
B. Total local production in '000 tons	323	335	300
C. Total imports in '000 tons	357	204	250
D. Total imports from U.S.	8	9	10
E. Total value of import US$ million	43	25	30
Exchange Rate	8.5	8.8	9.3

Name of Sector: **Dog & Cat Food**
Tariff Code: **2309.10**

Today the U.S. is the fifth largest exporter to this market. The major suppliers to this market were France and Germany. Britain used to be the main supplier to this market, but is now in third place. The reason might be the bad publicity around BSE. We expect the total dog/cat feed market will continue to be stable, as this is one of the few areas in which tariffs have decreased as a result of the WTO agreement. In 1999 a domestic company called Millstone AS started production of dog and cat food under the brands Monty and Chavell. We will know in a few years know how they do in the market, but so far they have had no influence on imports. There seems to be equal volumes of dog food and cat food imported.

	1999	**2000**	**2001**
A. Total market size in '000 tons	41	43	44
B. Total local production in '000 tons	4	5	5
C. Total imports in '000 tons	37	38	39
D. Total imports from U.S.	5	2	3
E. Total value of import US$ million	36	37	38
Exchange rate:	8.5	8.8	9.3

Name of Sector: **Rice**
Tariff Code: **1006, 1904.9020**

Norway imported 18,500 tons of milled rice in 2000, of which 3,500 tons came from the U.S., about the same as last year. The largest competitor to the U.S. is Thailand, with imports of about 8,300 tons, but the U.S. has about 70 percent of the parboiled rice market. The market has stabilized at about 20,000 tons level. We expect no major change in the market the coming years, but a lower dollar could trigger some increase in U.S. sales.

	1999	2000	2001
A. Total market size in '000 tons	19	19	20
B. Total local production in '000 tons	0	0	0
C. Total imports in '000 tons	19	19	20
D. Total imports from U.S.	4	3.5	4
E. Total value of import US$ million	13	11	12
Exchange Rate:	8.5	8.8	9.3

NORWEGIAN AGRICULTURE IN FIGURES

Cultivated land: 1.04 billion hectares
Productive forests: 7.7 " "
Number of farms: 77,461

Average size of farms:
Cultivated land: 13.5 hectares
Forests: 56 hectares

Amount of work:
Farming: 78,900 man-years
Forestry: 8,000 " "
Reindeer husbandry: 1,200 " "

Use of farmland:
Grass: 642,500 hectares
Cereals: 39,500 "
Potatoes: 17,000 "
Vegetables: 20,500 "

Grain Yield: 3.94 tons per hectare

Domestic Animals:
Cows: 349,400
Steers and heifers: 663,000

Sheep:	1,105,000
Goats:	52,700
Pigs:	419,000
Hens:	2,900,500
Chickens:	23,758,000

Food Processing Industry:

Total employment:	38,000
Slaughtering and meat processing:	11,900
Bakeries:	8,200
Milk processing:	7,100

Norway maintains stringent import regulations on agricultural commodities, approval requirements for telecommunications equipment, and comprehensive labeling requirements for toxic chemicals. Plus, new rules and regulation changes occurred due to full implementation of the EEA in 1995. Consequently, it is very useful to have at least a Norwegian agent, if not a more substantial representative, to navigate the new EEA regulations.

Norway is heavily dependent on foreign trade; its trade policy is generally aimed at expanding its trade and shipping services. Because of the EEA, Norway currently enjoys industrial free trade with all EU member countries. Norway uses the harmonized system (HS) for commodity classification. Generally, import duties are relatively low on products imported from third-country suppliers.

There are few technical standards where enforcement has so far raised significant trade barriers for U.S. suppliers, although some obstacles have been encountered in the case of specialized electrical equipment. However, with more EEA regulations coming, it will probably gradually become more complicated for inexperienced U.S. exporters to Norway who do not have agents, since agents can more easily keep abreast of rule changes. European safety standards on electrical equipment for use in hazardous areas are favored in North Sea oil-and-gas production facilities and offshore exploration rigs.

ISO 9000 series:

Quality assurance is paramount for all equipment destined for the Norwegian offshore market, and is generally preferred in the inland market. Norway has adopted the ISO 9000 standards for quality assurance (QA) and quality control (QC).

Electrical/electronic equipment:

Electrical equipment sold and used by the public (consumer electronics and household electrical appliances) must have an approval from NEMKO, or similar control establishments within the EU:

Norwegian Electrical Control Board (Norges Elektriske Materiellkontroll-NEMKO)
Gaustadalleen 30
0371 Oslo, Norway
Tel: (47) 22 96 03 30

Fax: (47) 22 96 05 50

Electric current throughout Norway is 50 cycle, 220-volt a.c; single- and three-phase.

Toxic chemicals:

A mandatory composition declaration is imposed on domestic and foreign suppliers of chemical substances and products. The requirement calls for a 100-percent product composition declaration to be filed and registered in the product register. These provisions are a direct continuation of requirements introduced in 1984 and 1989 governing the declaration and labeling of very toxic, toxic, and carcinogenic substances and products. These products must be declared to the product register prior to import and production.

The fundamental principle is that all manufacturers and importers of chemicals shall provide all the information required by the product register. In cases where foreign producers need to withhold detailed composition from the importer, the foreign producer may send the complete chemical composition directly to the product register. One condition for accepting the above is that the importer supply administrative information ("administrative data") with reference to the information provided by the foreign supplier. The Norwegian importer is nevertheless responsible for labeling the product and preparing the safety data sheet.

In special instances, however, the board of the product register may grant a partial or total dispensation from the declaration requirements. Exemptions may be granted only for specific product groups, and for a limited period of time. The exemptions will normally not be granted for more than three years at a time. Special guidelines have been prepared in connection with the various forms of dispensation, which may be obtained from the product register:

Produktregisteret (Chemical Product Register)
Schweigaards g. 34E
P.O. Box 8180 dep
0034 Oslo, Norway
Tel: (47) 22 05 48 80
Fax: (47) 22 05 48 99

Publication: "Declaration of chemical substances and products" - Guidelines (in English).

Safety data sheets:

An additional obligation for domestic manufacturers or importers includes the preparation of a safety data sheet, sufficiently comprehensive for the customer/user to handle the substance or product safely. Information regarding the "administrative data" and the safety data sheets may be obtained from:

Arbeidstilsynet (Directorate of Labor Inspection)
Stenersgate 1D
Pb. 8174 Dep
0034 Oslo, Norway

Tel: (47) 22 17 78 00
Fax: (47) 22 17 78 10

Questions regarding food products and food packaging regulations may be directed to:

Naeringsmiddelkontrollen (Food Control Authority/Packaging Regulations)
Ullevaalsveien 76
P.O. Box 8187 dep
0034 Oslo, Norway
Tel: (47) 22 24 66 50
Fax: (47) 22 24 66 99

Labeling requirements:

Guidelines/regulations governing required labeling of chemical substances and products that may involve a hazard to health may be obtained from:

Elanders Norge A/S
P.O.Box 1156 Sentrum
0107 Oslo, Norway
Tel: (47) 22 63 64 00
Fax: 011 (47) 22 63 65 91
www.elanders.no

EU's CE labeling:

Norway has no regulations or requirement for "country of origin" marking. Through its EEA agreement, Norway has adopted the EU's CE mark/label some products sold in the EU. The CE label declares that the product conforms to EU standards/directives, and thus provides for a free float between borders, serving as a "product passport." The CE mark eliminates the need for each EU or EEA country to "certify" the product by its own national testing labs. There will generally be only one "EU" certification necessary for most products, but the individual countries may apply some special area specifications to some few products/services. It would be the Norwegian importer's or seller's responsibility to see that all imported products are in conformity with the regulations.

The CE label should incorporate name/address of manufacture, Ser. No., and CE mark. Some markings also incorporate pictograms/hazard symbols in accordance with the "EN" (European Norm) standard. Additional marking/instructions must at least have one of the receiving country's official languages.

At present, only 20 percent of the products sold in the EU are subject to this CE labeling requirement. According to EU directives, subject product categories have a transition period and implementation date; others are already compulsory. One may also use a "notified body," an EU-accepted or authorized technical control agency, and/or an accepted test laboratory to certify conformity. Five potential Norwegian testing laboratories and technical institutions are currently being evaluated. Norwegian laboratories must apply to the EEA body to be accredited as Norway's technical control authorities for CE requirements.

It is expected that more control will be enforced on products from third-country suppliers (this, of course, includes the United States), primarily concentrating on toys, pharmaceuticals and some foodstuffs. The stated reason for this is that many false "CE" labels appear on toys (in particular) exported from the PRC. An internal control will be required and Norwegian authorities will perform sporadic controls.

Trademarks/patents:

All trademark applications for the Norwegian market must be registered with the following GON agency:

Patentstyret
Styret for det Industrielle Rettsvern
Kobenhavngaten 10
P.O. Box 8160 dep
0033 Oslo, Norway
Tel: (47) 22 38 73 00
Fax: (47) 22 38 73 01

This is Norway's official patent office, handling trademark registration, innovation protection, etc. A Norwegian company may file a trademark application directly with the agency, and has to pay a fixed price of NOK 1,600 ($178) for one group registration, and an additional NOK 600 ($67) for each additional group.

However, a foreign company must go through a local agent or other intermediary with the application. This may be a friend, a company, a lawyer, an individual, or one of the many private patent offices. The latter offices normally charge fixed consulting fees in addition to the official registration charge of NOK 4,650 ($517) for one group registration and an additional NOK 420 ($47) for each additional group. If the trademark application process should need comprehensive research and examination, or extensive contact/correspondence between the consultant, the agency, and the client, total expenses could perhaps run as high as NOK 10,000 ($1,111).

Major consulting firms specializing in patent and trademark procedures in Norway include:

Bryns Patentkontor A/S
Karl Johansgate 25
Box 765 Sentrum
0106 Oslo, Norway
Tel: (47) 22 91 04 00
Fax: (47) 22 91 05 00

Oslo Patentkontor A/S
Holtegaten 20
Box 7007 Majorstua
0306 Oslo, Norway
Tel: (47) 22 44 38 67
Fax: (47) 22 55 30 88

Bryn & Aarflot A/S
Kongensgate 15
Box 449 Sentrum
0104 Oslo, Norway
Tel: (47) 22 00 31 00
Fax: (47) 22 00 31 31

Tandberg's Patentkontor A/S
Uranienborg Terrasse 19
Box 7085 Majorstua
0306 Oslo, Norway
Tel: (47) 23 19 94 00
Fax: (47) 23 19 94 01

Samples, carnets:

Norway is a member of the international convention to facilitate the importation of commercial samples and advertising matter. Samples may be imported into Norway free of customs charges if they are of little or no commercial value, or if they have been made unfit for use. If they do not meet these requirements, samples are subject to customs duties. However, samples intended exclusively for obtaining orders in Norway may be temporarily exempted from duty payment provided a bond is posted upon entry. Upon re-exportation, the bond is canceled. Samples carried by a commercial traveler, as well as pattern books and pattern cards, must be declared immediately upon arrival in the country. Samples may also be imported temporarily by using the ATA carnet, a simplified customs document by which commercial samples or professional equipment may be sent or taken into Norway and any of the other 43 foreign countries participating in the arrangement.

The ATA carnet is a guarantee to the customs authorities that duties and taxes will be paid if the goods are not taken out of the country. The carnet permits making customs arrangements in advance in the United States and is especially useful when visiting several countries, since the same document may be used and remains valid for a 12-month period. In the United States, ATA carnets are issued for a fee from:

U.S. Council for Intl. Business
1212 Avenue of the Americas
New York, NY 10036
Tel: (212) 354-4480
Fax: (212) 575-0327

Advance rulings on classification:

Before signing a long-term contract or sending a shipment of considerable value, it may be prudent for the Norwegian importer or U.S. exporter to obtain an official ruling on customs treatment. Requests for advance information regarding the customs classification of products may be addressed directly to:

Toll og Avgiftsdirektoratet (Norwegian Customs Authority)
Schweigaardsgatan 15
P.O. Box 8122 dep

0032 Oslo, Norway
Tel: (47) 22 86 03 00
Fax: (47) 22 17 65 24
www.toll.no

The application should describe the product in full detail. Samples, catalogs, photographs, or other descriptive literature should be submitted whenever possible. The manufacturer, the exporter, or the representative in Norway should sign the application. While the customs authorities will not in all cases give a binding decision, the decision will usually be considered binding if the goods are found to correspond exactly to the sample or the description.

General Government Attitude

Norwegian authorities have a positive attitude toward foreign investment in the key offshore petroleum sector as well as in other sectors. Foreign investments are welcomed on the mainland in high-tech and advanced areas that will improve competitiveness and management in industry, and in industrially underdeveloped areas such as Northern Norway. The European Economic Area (EEA) free trade accord (came into force in 1995) requires Norway to apply principles of national treatment in certain areas where foreign investment was prohibited or restricted in the past. The policy vis-a-vis third countries, including the U.S., will likely continue to be governed by reciprocity, and by bilateral and international agreements. While the Norwegian government officially endorses a level playing field for foreign investors, existing regulations, standards and practices often marginally favor Norwegian, Scandinavian and EEA investors, in that order.

Laws/Rules/Practices affecting Foreign Investment

Being an EEA member, Norway continues to liberalize its foreign investment legislation along European union (EU) lines. Current laws/rules follow.

Government Monopolies: Foreign and domestic investors are lawfully barred from investing in industries monopolized by the government including postal services, railways, and the domestic production and retail sale of alcohol. Foreign investment in hydro-power production (limited to 20 percent of equity) may be granted by the government, but is rare. The GON has fully opened the electricity distribution system to foreign participation to become one of the more liberal examples in the world today.

International: Foreign companies are required to obtain concessions for the acquisition of rights to own or use various kinds of real property including forests, mines, tilled land, and waterfalls. Foreign companies need not, however, seek concessions to rent real estate provided that the rental contract is made for a period not exceeding ten years. The two major laws governing concessions are the act of December 14, 1917 and the act of May 31, 1974.

The Petroleum Sector: The Petroleum act of November 1996 (superseding the 1985 Petroleum Act) contains the legal basis for the authorities' awards of blocks and follow-up activity. The act covers governmental control over exploration, production, and transportation of petroleum. Although production licenses awards are based on

competitive bidding, Norwegian authorities continue to give preferential treatment to domestic oil companies and domestic suppliers in the awarding of blocks and maintenance/supply contracts. The results of the most recent licensing round (sixteenth, awarded in spring 2001) suggests improved opportunities for non-Norwegian firms. The Norwegian offshore concession system complies with EU directive 94/33/EU of May 30, 1994, which governs conditions for awards and hydrocarbon development. The government tightly controls Norway's pipelines that carry Norwegian gas to the European market with governmental approval. The pipeline consortia sell gas under "take or pay contracts" in which buyers guarantee to pay for delivery of specific quantities, whether or not the full quantity is used. On May 30, 2001, Norway's Oil and Energy Ministry announced that Norway' Gas Sales Monopoly [Gassforhandlingsutvalget, or GFU]--which has negotiated all natural gas sales to Europe--will be suspended from June 1. In past months, EU competition authorities have accused the GFU of violating EU's gas market liberalization directive. According to the Oil and Energy Ministry, the move will allow operators on the Norwegian continental shelf to make contracts on an individual basis.
The Ministry noted the GFU would be permanently dismantled by January 1, 2002, pending parliamentary approval. The Ministry also noted the move comes as a part of a larger revamp of Norway's oil and gas industry (includes: part-privatization of state oil company Statoil on June 18; a sell-off of state oil and gas assets to Statoil and other operators on the Norwegian continental shelf).

Manufacturing Sector: In December 1994, the Norwegian parliament approved new investment legislation governing acquisitions in the manufacturing sector. The new legislation, which became effective on January 1, 1995, grants national treatment to foreign investors. According to the legislation, all Norwegian and foreign investors (i.e., EEA and third-country) are obliged to report to the ministry proposed acquisitions exceeding certain thresholds (33 percent, 45 percent or 67 percent) of a company's ownership equity capital. This rule is mandatory for medium to large-scale acquisitions (firms with more than 50 employees), firms with an annual turnover exceeding NOK 50 million (USD 5.5 million), and firms receiving significant public research and development support. The report to the ministry should contain information about investor intentions, implications for employment and production and industrial development. If the proposed acquisition would contribute to the restructuring of a manufacturing industry, a series of hearings would be initiated before a decision is made. The legislation authorizes the GON to set conditions when an approval is granted. If the ministry does not respond within 30 days, the acquisition is automatically approved.

Financial and other Services: According to current legislation, any investor--foreign or domestic--must obtain permission/concession from the Norwegian Finance Ministry to acquire more than 10 percent of the equity in a Norwegian financial institution. Effective January 1, 1995, there is no ceiling on foreign equity in a Norwegian financial institution given that a concession has been granted. Applications are sent on a round of hearings before the Finance Ministry makes its recommendation. The Finance Ministry has abolished remaining restrictions on the establishment of branches by foreign financial institutions including banks, mutual funds and other financial institutions. Under the liberalized regime, branches of U.S. and other foreign financial institutions are granted the same treatment as nationals in Norway.

Media Area: No individual party may own more than one-third of a national radio and/or television company without a concession. National treatment should be granted in line with Norway's obligations under the EEA accord.

Investment Screening Mechanism: Investment proposals are processed by the concerned Ministries. Illustratively, the Ministry of Industry and Trade handles cases that concern the acquisition of real property in Norway or of shares in Norwegian companies. The Finance Ministry is involved when financial institutions are concerned, while the Ministry of Culture handles media cases. Decisions are normally taken at the Ministerial level. However, in some cases that may have political interest, the minister(s) may ask the entire cabinet to make the decision. The time needed to process a takeover application depends on several factors but is normally from one to three months. Norwegian legislation authorizes the GON to set conditions when a concession is granted, and this is done in the majority of cases involving more than one-third foreign ownership. Concession agreements do not permit a company to engage in other business activities than those specified. In general, the government screens investment on a case-by-case basis, based on the "public interest principle." This principle is vague, and allows for broad discretion, which has been used to protect domestic business interests and preserve jobs.

Acquisition and Takeovers: Antitrust legislation (Price Control Act of 1953) empowers the authorities to break up any restrictive arrangement that may have a harmful impact on production, prices, and/or distribution. Norway has ratified principal international agreements governing arbitration of investment disputes including the New York convention of June 10, 1985.

Investment Incentives: Norway offers no significant general tax incentives for either domestic or foreign investors. One exception is, however, investments in Northern Norway, where a reduced payroll tax schedule and other incentives apply. There are no free-trade zones, although taxes are minimal on Svalbard. A state industry and regional development fund provides support (e.g., investment grants and financial assistance) for industrial development in areas with special employment difficulties or with low levels of economic activity.

Discriminatory/Preferential Exports/Imports Policies: Norway also has established an export council that assists export-oriented firms in international marketing. Norway has established an export credit institution (Eksportfinans) which provides export credits, and an export guarantee institution (GIEK). In 1995, Norway replaced quotas on farm product imports with variable tariffs in compliance with the WTO accord. While Sweden and other EU countries have complained that the tariffs are overly protective, Norway has implemented moderate tariff cuts since. "Harmful" imports have in the past been restricted when deemed appropriate. (Norway has restricted imports of bicycles from Taiwan, for example, after it registered an import surge). Norway continues to grant trade-distorting subsidies to its shipbuilding industry, but these may be eliminated ahead in line with EU policy.

Conversion and Transfer Policies

Norway abolished all major foreign exchange controls in the early 1990’s. Dividends, profits, interest on loans, debentures, mortgages and repatriation of invested capital are freely and fully remissible subject to Central Bank reporting requirement. Ordinary payment from Norway to a foreign entity can normally be made without formalities through commercial banks.

Expropriation and Compensation

There have been no cases of questionable expropriation in recent memory. Government acquisition of property is currently limited to non-discriminatory land and property condemnation for public purposes (road construction, etc.). The Embassy is unaware of any cases where compensation has not been prompt, adequate and effective.

Dispute settlement

No major investment disputes have occurred since 1990. As noted above, Norway has ratified the major international conventions governing arbitration and the settlement of investment disputes.

Performance Requirements/Incentives

There are no standard performance requirements imposed on foreign investors, although big investors may be required to maintain employment to avoid dislocation of labor. In the offshore petroleum sector, Norwegian authorities encourage the use of Norwegian goods and services. The Norwegian share of the total supply of goods and services to the offshore petroleum sector has been 50 to 70 percent in the past decade.

Right to Private Ownership and Establishment

Subject to the restrictions noted above, foreign and domestic entities are generally free to establish and own business enterprises and engage/disengage in all forms of legal remuneration activity. With the possible exception of the oil and gas sector in which the major Norwegian oil companies in the past have received preferential treatment, the Norwegian government in theory treats private and public enterprises with equality when it comes to market access and other business operations. In the privatization of firms, foreign investors are permitted to participate subject to the restrictions mentioned above.

Protection of Property Rights

Norway adheres to key international agreements on property rights (e.g., Paris Union Convention for the Protection of Industrial Property). The patent office (Styret for det Industriale Rettsvern) grants patents for a period of 20 years (Acts of June 8, 1979, and May 4, 1985). Provisions in the Act of May 21, 1961 protect copyrights. Provisions in the act of March 3, 1961 protect trademarks. The above legislation also protects trade secrets and industrial designs.

Transparency of the Regulatory System

The transparency of Norway's regulatory system is generally at par with that of the EU because Norway is obliged to adopt EU directives under the terms of the EEA accord. The government has adopted laws to foster competition in non-farm sectors. For example, the Competition Act of 1993 (the antitrust law) empowers the authorities to break up any arrangement that thwarts competition. While competition in the farm sector remains inadequate, existing laws and policies undergo reviews to curb misallocation of investment and red tape.

Efficient Capital Market and Portfolio Invest

Norway has a highly computerized banking system that provides a full range of banking services, including Internet banking. There are no significant impediments to the free market-determined flow of financial resources. In the fall of 1996, foreign banks--which in the past were required to do business through a subsidiary--were permitted to establish branches in Norway.

The private sector has access to a wide variety of credit instruments, and the regulatory system is transparent and consistent with international norms. The Oslo Stock Exchange is established to facilitate portfolio investment and--in general--securities transactions.

Norwegian banks have recovered from the banking crisis in the early 1990s, with all major banks now posting profits and reduced loan losses. The assets of the top five commercial banks currently account for over 85 percent of total assets. Following bailouts during the banking crisis, the Norwegian state held controlling stakes in the country's top three commercial banks. The state has subsequently reduced its stakes in the top-two banks and sold the entire stake in the third biggest bank to private investors. The Norwegian banking sector remains in a period of consolidation with mergers between big players expected. Foreign and domestic investors continue to have adequate access to capital.
There are no known "cross-holding" or other shareholder arrangements used by private firms to restrict foreign investment through mergers and acquisitions. Similarly, there are no laws and regulations authorizing private firms to adopt articles of incorporation/association which limit or prohibit foreign investment. The private sector and/or the government do not restrict foreign participation in industry standards setting consortia and organizations.

Political Violence

Norway remains politically stable, with no politically motivated damage to projects/installations reported over the past few years. No changes are expected.

Corruption

Corruption exists but is not widespread in Norway. Thus, corruption is not a significant obstacle to foreign direct investment. A 2000 survey conducted by an international institute which monitors corrupt business practices worldwide (Transparency International), ranked Norway as the sixth least corrupt country (the U.S. was seventeenth) out of a list of 90 countries surveyed. Norway's penal code (Act 10 of May 28, 1902 and its amendments) sets penalties for corruption and other illicit payments. Accepting a bribe is a criminal act which carries penalties (fines and/or jail up to six years for severe cases). Bribing foreign officials and private sector investors is a criminal act and bribes cannot be deducted from taxes.

BILATERAL INVESTMENT PROTECTION AGREEMENTS

Norwegian authorities have concluded investment protection agreements with the following countries:
Madagascar (1966), Malaysia (1984), Peoples Republic of China (1984), Indonesia (1969 and 1991), Sri Lanka (1985), Poland (1990), Hungary (1991), Romania (1991), Estonia (1992), Latvia (1992), Lithuania (1992), Chile (1993), the Czech republic (1993), Slovakia (1993), Peru (1995) and Russia (1995). These agreements contain provisions for repatriation of capital, dispute settlement, and standards for expropriation and nationalization by the host country. Looking ahead, Norwegian authorities plan to sign protection agreements with 30 additional countries including Turkey, Brazil, Egypt, India, Thailand and Vietnam.

OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

There is no specialized institution providing investment guarantees in Norway. However, the Norwegian Ministry of Industry and Trade has a section dealing with oversees exports and investment guarantees, and domestic industry financing. The Norwegian Export Credit Institute (GIEK) issues export credits and investment guarantees subject to Ministry approval. Norwegian firms investing in developing countries may apply for investment guarantees. Norway has an investment guarantee scheme for Central and Eastern Europe. Norway is a member of multilateral investment guarantee agency (MIGA).

LABOR

While skilled and semi-skilled labor is usually available, strong mainland economic growth in recent years led to shortages of both skilled labor (e.g., nurses) and unskilled labor (construction workers). In 2000, the labor force totaled some 2.4 million persons of which 3.3 percent were (surveyed) unemployed.

The government has a record of imposing mandatory wage mediation should strikes threaten key sectors in the economy, including the oil and gas industry and the transportation sector.

Despite attempts to curb wage growth, Norwegian blue-collar hourly earnings remain high from a global perspective. On the other hand, top-level executives are generally paid considerably less than their U.S. counterparts.

High blue-collar wages contribute to the use of relatively capital-intensive technologies in Norwegian industry.

FOREIGN TRADE ZONES

Norway has no foreign trade zones and does not contemplate establishing any.

FOREIGN INVESTMENT STATISTICS

The following data are the latest available as of June 2001 from the Norwegian Central Bank. Figures on investment position refer to book-value. These figures are limited to companies in which a single foreign investor holds 10 percent or more of the equity capital and do not include foreign ownership interests via third party investment. Flow investment statistics is based on market value. FDI stands for Foreign Direct Investment

Note also that the NOK/USD exchange rates were as follows for the period in review:

	1995	**1996**	**1997**	**1998**	**1999**	**2000**
End-Period	6.35	6.47	7.30	7.60	8.04	9.07
Period-Average	7.34	6.46	7.08	7.55	7.80	8.80

Table I: FDI Position in Norway by Country (NOK Bill)

Country/Area	**1995**	**1996**	**1997**	**1998**	**1999**
Total FDI	118.8	135.3	164.5	194.7	231.8
U.S.	30.3	42.4	41.0	45.0	42.9
Sweden	19.4	19.7	23.1	25.7	33.9
France	8.1	11.2	10.3	11.6	14.1
Netherlands	10.3	9.2	35.3	49.0	52.7
Switzerland	9.6	6.3	6.7	6.7	7.0
UK	6.7	9.0	11.4	17.3	16.3
Germany	4.6	4.8	4.8	5.6	6.7
Denmark	6.4	6.5	7.1	9.3	23.4
Finland	2.6	4.7	4.6	6.9	10.0
Japan	4.8	4.7	4.0	3.5	4.4
All EU	64.7	72.0	103.7	132.7	165.4
FDI/GPD (%)	12.8	13.3	15.0	17.5	19.4

Table II: FDI Pos. in Norway by Industry (NOK Bill)

Sector	**1995**	**1996**	**1997**	**1998**	**1999**
Total FDI	118.8	135.3	164.5	194.7	231.8
Petroleum/Mining	59.2	72.5	72.5	87.5	98.5
Manufacturing	12.0	13.6	31.4	37.3	39.7
Bldg/Construction	1.9	1.2	3.2	3.0	3.2
Dom Trade/Hotels	17.8	19.0	20.1	22.9	25.2
Transp/Commun.	1.6	2.7	4.5	5.4	8.4
Manufacturing	12.0	13.6	31.4	37.3	39.7
Financial, Busines Services/Property	25.8	25.4	30.6	33.4	48.2
Other Industry	0.5	0.9	2.2	5.2	8.6

Table III: Norw. Inv. Pos. Abroad by Country (NOK Bill)

Country/Area	**1993**	**1994**	**1995**	**1996**	**1997**
Total Inv. Abroad	94.8	119.9	142.3	163.9	201.1
U.S.	13.7	16.7	20.2	23.4	39.5
Sweden	14.6	15.1	19.7	23.8	29.2
Denmark	14.8	26.7	29.7	27.9	27.2
UK	11.2	10.7	12.0	19.0	20.8
Netherlands	8.5	8.4	12.0	14.3	19.8
Germany	7.8	8.7	7.8	6.8	7.7
All EU	69.4	89.3	105.3	124.0	140.4
Total/GPD (%)	11.5	13.8	15.3	16.1	18.3

Table IV: Norw. Inv. Pos. Abroad by Industry (NOK Bill)

Sector	**1993**	**1994**	**1995**	**1996**	**1997**
Total FDI	94.8	119.9	142.3	163.9	201.1
Petroleum/Mining	34.8	43.2	51.9	61.6	75.4
Manufacturing	24.2	33.3	37.6	41.1	41.6
Dom Trade/Hotels	5.8	9.8	9.3	8.0	10.8
Transp/Commun	5.5	6.0	5.8	6.9	9.8
Financial, Business Svcs/Property	22.8	25.7	35.4	41.3	53.3
Other Industry	1.7	1.9	2.3	5.1	10.2

Table V: Net FDI Flows to Norway (Nok Bill)

Year	1996	1997	1998	1999	2000
Total	13.4	21.1	25.1	52.2	55.9
U.S.	10.9	0.3	(1.0)	(2.0)	(4.4)
Sweden	2.4	0.9	2.5	19.0	29.3
EU (incl. Sweden)	6.8	23.5	27.1	48.5	44.5
Tot/GDP (%)	1.3	1.9	2.3	4.4	3.9

Table VI: Norw. Net FDI Flows Abroad (NOK Mill)

Year	1996	1997	1998	1999	2000
Total	31.7	29.9	16.0	38.9	64.9
U.S.	0.3	8.6	4.6	2.2	(5.5)
Sweden	8.1	6.2	3.5	9.2	4.9
EU (incl. Sweden)	28.3	14.9	3.7	21.9	36.7
Tot/GDP (%)	3.1	2.7	1.4	3.2	4.6

Major Foreign Investors

According to Norwegian law, investment statistics collected by the Norwegian Central Bureau of Statistics cannot be released on a company-to-company or project-to-project basis.

In 2000, foreign and Norwegian oil companies invested about USD six billion (measured at market value) in the Norwegian offshore petroleum sector. The major U.S. investors offshore were:

Amerada Hess corp., BP-Amoco Norway, Conoco Petroleum Norge, Esso Norge, Mobil Norge, and Phillips Petroleum Corporation Norway. Other foreign oil companies were Norske Shell, Enterprise Oil, Norsk Agip, and Total Norge.

On the Norwegian mainland, U.S. investors/suppliers include: Kraft General Foods, Abbot Norge, Amdahl Norge, American Express, Apple Computer, Avis Bilutleie, Black & Decker, Bristol-Meyers Squibb, Coca-Cola Norge, Colgate-Palmolive Norge, DHL International, Dow Chemical Norway, Ernst & Young, general electric, general motors, Gillette Norge, Goodyear Norge, Hertz Bilutleie, IBM, Ingersoll-Rand, Kellogg Norge, Manpower, Motorola Norge, NCR Norge, Pepsi Cola Norge, Price Waterhouse, Tandy Grid, Texas Instruments Norge, Vickers Systems, Wrigley and Xerox Corporation.

In all, over 200 American firms have established branch offices or subsidiaries in Norway.

Note on Sources

Information in this report was primarily obtained from various sources within the Ministries of Finance, Industry and Trade, Labor, and Foreign Affairs, as well as the Norwegian Central Bureau of Statistics and the Central Bank of Norway.

Participants in the Norwegian banking market vary from large full-service banks active in both the wholesale and retail sectors to small private institutions. There is also a range of savings banks, and the Post Office runs a giro system. The banking system, i.e., the actual payment system, is highly automated and computerized. The Commercial Banking Act, the Savings Bank Act and the Act on Financing and Finance Institutions regulate banking activities. Recent liberalization of regulations now permits foreign banks to operate in Norway.

The Bank of Norway (Central Bank) is organized as a share-issuing company, but the government owns all the shares. It is the executive and advisory entity for monetary, credit and exchange policy. It is the sole bank of currency issue.

Commercial banks enjoy a very close relationship with trade and industry. Savings banks have a long tradition in Norway and also cover a substantial part of local credit requirements. Merchant banks have not achieved the same position in Norway that they enjoy in some countries. This is partly because of the market dominance by the very large commercial banks, all of which maintain specialized departments covering the areas generally regarded as typical of merchant banking.

There are special banks for fisheries, agriculture, shipping, industry, house building, and export finance. The State, to varying degrees, participates in all of these.

Exchange controls

In 1990, all currency and foreign exchange controls were abolished. There are no longer any licensing requirements in force. The only requirement in force is a reporting requirement for international payments and financial transactions. The transaction bank generally takes care of this reporting.

The Norwegian krone has floated since 1992, and the Bank of Norway intervenes in the foreign exchange market when appropriate. Since 70 percent of its trade is with the European Union, government policy has been to informally tie the krone to the euro.

General financing availability:

In principle, all kinds of financing are available to foreign investors. Overdrafts and mortgages are available from banks, which will also assist in the issuance of such financial instruments as discount bonds, convertible bonds, etc.

Financial lease arrangements are supplied by leasing companies. If a leased asset is financed from foreign funding, a license is required from the Bank of Norway. If the lessee is foreign and the agreement is of a financial character (financial leasing), a license is required. No license is required if the leasing agreement can be said to be operational.

Venture capital and merchant banking are not highly developed, but do exist. Under very strict conditions it is possible to obtain fresh capital at the stock exchange.

Export financing:

Eksportfinans ASA finances exports of Norwegian capital goods and services on both market- and government-supported terms. The financing programs are designed to promote the sale of Norwegian capital goods and services, and financing is also available to foreign buyers.

Eksportfinans ASA
Dronning Mauds gt. 15
Postboks 1601 Vika
0119 Oslo, Norway
Tel: (47) 22 83 01 00
Fax: (47) 22 83 22 37

Loans at market terms are given for purchases of Norwegian capital goods. Eksportfinans extends credit on market terms at competitive rates, ensuring that the financing is appropriately matched to project requirements in terms of currencies, loan period, interest rates and repayment structure. Eksportfinans also administers a number of trade-subsidy schemes on behalf of the Norwegian government.

Where exports are involved, the GON is able to offer subsidized fixed-rate loans to most countries. Government-supported loans are regulated under the OECD consensus agreement. This scheme was introduced to enable Norwegian exporters to match the financing terms offered by foreign competitors. The loans are repayable in equal semi-annual installments, and the interest rate is fixed for the entire period of the loan.

Norway offers no significant financing programs for either domestic or foreign investors. One exception is investments in northern Norway, where a reduced payroll tax and other incentives apply. There are no free-trade zones, although taxes are minimal on Svalbard. A state industry and regional development fund provides support (e.g., investment grants and financial assistance) for industrial development in areas with special employment difficulties or with low levels of economic activity.

Major Norwegian banks--and two U.S. banks operating in Norway

Den norske Bank A/S
PO Box 1171, Sentrum
0101 Oslo, Norway
Tel: (47) 22 48 10 50
Fax: (47) 22 48 18 70
E-mail: dnb@dnb.no
www.dnb.no

Kredittkassen
Middelthunsgt. 17
PO Box 1166 Sentrum

0107 Oslo, Norway
Tel: (47) 22 48 50 00
Fax: (47) 22 48 47 49
www.kbank.no

JP Morgan Chase
Fr. Nansens Plass 1
0160 Oslo, Norway
Tel: (47) 22 94 19 19
Fax: (47) 22 42 58 61

Citibank International PLC Norway Branch
Tordenskjoldsgate 8/10
PB 1481 Vika
0116 Oslo, Norway
Tel: (47) 22 00 96 00
Fax: (47) 22 00 96 22

Entry requirements: A passport is required. U.S. citizens may enter Norway without a visa. Norway is a member of the Schengen Agreement. Travelers may not stay in the Schengen area for more than 90 days in any six-month period. For information regarding entry requirements travelers can contact the Royal Norwegian Embassy at 2720 34th Street N.W., Washington, D.C. 20008-2714, Tel (202) 333-6000, or the nearest Norwegian consulate. Consulates are located in Houston, Miami, Minneapolis, New York, and San Francisco.

Medical facilities: Medical care is widely available. U.S. medical insurance is not always valid outside the United States. Travelers have found that, in some cases, supplemental medical insurance with specific overseas coverage has proved to be useful. Information on medical emergencies abroad, including overseas insurance programs, is provided in the Department of State's Bureau of Consular Affairs brochure Medical Information for Americans Traveling Abroad, available on the Internet at http: travel.state.gov. Further information on health matters can be obtained from the Centers for Disease Control and Prevention's hotline for international travelers at 1-877-394-8747, or via their Internet site at http://www:cdc.gov.

Crime information: Norway has a relatively low crime rate. Most crimes involve the theft of personal property, e.g., residential burglary, auto theft, or vandalism to parked cars. Persons may become targets of pickpockets and purse-snatchers, especially in hotel restaurants and in certain pats of the Oslo area. Violent crime, however, remains the exception; thieves and burglars almost never use weapons. The loss or theft of a U.S. passport in Norway should be reported immediately to the local police and to the U.S. Embassy in Oslo. The Department of State's pamphlet <u>A Safe Trip Abroad</u> provides useful information on guarding valuables and protecting personal security while traveling abroad. The pamphlet is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402 and via the Internet at http://www:access.gpo.gov/su docs.

Drug penalties: While in a foreign country, a U.S. citizen is subject to that country's laws and regulations. Penalties for breaking the law can be more severe than in the

United States for similar offenses. Persons violating the laws of Norway, even unknowingly, may be expelled, arrested or imprisoned. Penalties for possession, use, or trafficking in illegal drugs are strict. Some substances that are legal in other European countries are prohibited in Norway. The possession of small amounts of drugs for personal use that may not result in arrest in neighboring countries can result in arrest in Norway. Penalties usually include detention, a hefty fine and deportation.

Domestic Travel Information: Because of the mountainous terrain, most roads are narrow and winding. The northerly latitude can cause road conditions to vary greatly depending on weather and time of year. Speed limits vary from 60-90 km/hr.

Roadblocks for checks of drivers under the influence of alcohol are frequent, and submission to a breathalyzer test is mandatory. Norway has adopted a zero tolerance policy regarding drinking and driving. One drink could put a person over the legal limit and could result in a fine. More than two drinks could result in a jail sentence.

Registration and Embassy location: Americans are encouraged to register at the Consular Section of the U.S. Embassy and to obtain updated information on travel and security in Norway. The U.S. Embassy in Oslo is located at Drammensveien 18; Tel. (47) 22-44-85-50, Consular fax (47) 22-56-27-51. For additional information contact the Embassy's home page at http://www.usa.no.

HOLIDAYS:

Businessmen should note the following local holidays during 2000 and 2001:

2001:
Dec 25 - Christmas Day
Dec 26 - Second Christmas Day

2002:
Jan 1 - New Year's Day
Mar 28 - Holy Thursday
Mar 29 - Good Friday
Apr 1 - Easter Monday
May 1 - Norwegian Labor Day
May 9 - Ascension Day
May 17 - Norwegian Independence Day
May 20 - Whit Monday
Dec 25 - Christmas Day
Dec 26 - 2nd Christmas Day

Some Norwegian manufacturing plants and major businesses are closed for 3-4 weeks of summer holidays from mid-July to mid-August. Easter (10-day holiday season for many Norwegians) and the week between December 23 and New Year also are periods of low business activity.

APPENDIX A: COUNTRY DATA

Population

The total population of Norway was 4.49 million in mid-2000, with some 30 percent living in rural districts and 70 percent in densely populated areas. Population Growth: The 2000 population growth rate was 0.65 percent annual rate.

Religion

About 90 percent of the population belong to the Evangelic Lutheran church, which is the state church of Norway. Registered religious communities outside the church of Norway have a total membership of over 200,000.

Government System

The Kingdom of Norway is a constitutional hereditary monarchy, with division of powers between a legislative, an executive and a judiciary branch of Government. The executive power is exercised by the King in a Council of State comprised of the King, the Prime Minister and other Government Ministers. Legislative powers are vested in the parliament (Storting), which has 165 members elected through general elections based on proportional representation within geographical areas. The electoral period is four years, and the parliament cannot be dissolved during that period. The parliament is elected as one chamber but 39 members are selected to constitute the "Lagting," while the remaining members constitute the "Odelsting." All bills of law are debated, first by the "Odelsting" and then by the "Lagting." Thereafter, they are sent to the King for Royal assent in Council. All other decisions are made by the united parliament. The country is divided into 19 counties, which in turn are divided into a large number of municipalities, the latter granted local self-government.

Languages

The Norwegian language is closely related to the other Scandinavian languages, and to a lesser degree to English, Dutch and German. Most Norwegians have a good command of English. There are two official languages, "Bokmal" and "Nynorsk," with equal status in schools and official use. The Norwegian alphabet contains 29 letters with three letters not found in the English alphabet.

Work Week

The normal Norwegian work week is 37.5 hours. The Norwegian workers' Protection Act stipulates the maximum working hours: 9 hours per day; 40 hours per week.

APPENDIX B: DOMESTIC ECONOMY

Category	1999	2000	2001
Total GDP (USD Mill)	153,526	161,807	162,890
Real GDP Growth (%)	1.1	2.3	2.4
GDP Per Capita (USD)	34,287	36,037	36,118
Gov Spending/GPD (%)	39.0	34.4	34.5
Price Inflation (%)	2.3	3.1	3.3
Surv. Unempl. rate (%)	3.2	3.4	3.2
Foreign Exchange Reserves (US Mill)	24,819	27,940	28,500
Avg. Exch. Rate (NOK/USD)	7.8	8.8	9.1
Net For. Debt (a) (USD Mill)	(11,538)	(36,295)	(40,000)
Debt-Serv. Ratio (b) (%)	21.0	20.0	18.0
U.S. Econ/Mil. Asst.	0	0	0

Note: (a) Foreign Liabilities less Foreign Assets.
(b) Gross Debt Service (on Foreign Liabilities).

Sources: Norway's Central Bureau of Statistics; Ministry of Finance; Embassy Projections

APPENDIX C: TRADE (MERCHANDISE)

Category	1999	2000	2001
Tot. Norw. Exp. (USD Mill)	44,913	60,136	59,110
Tot. Nor. Imp. (USD Mill)	33,807	34,386	35,010
Exports to U.S. (USD Mill) (a)	4,051	5,710	5,400
Imports from U.S. (USD Mill) (a)	1,440	1,544	1,650

Note: (a) USDOC Statistics.

APPENDIX D: INVESTMENT STATISTICS

The following data are the latest available as of June 2001 from the Norwegian Central Bank. Figures on investment position refer to book-value. These figures are limited to companies in which a single foreign investor holds 10 percent or more of the equity capital and do not include foreign ownership interests via third party investment. Flow investment statistics is based on market value. FDI stands for Foreign Direct Investment

Note also that the NOK/USD exchange rates were as follows for the period in review:

	1995	1996	1997	1998	1999	2000
End-Period	6.35	6.47	7.30	7.60	8.04	9.07
Period-Average	7.34	6.46	7.08	7.55	7.80	8.80

Table I: FDI Position in Norway by Country (NOK Bill)

Country/Area	1995	1996	1997	1998	1999
Total FDI	118.8	135.3	164.5	194.7	231.8
U.S.	30.3	42.4	41.0	45.0	42.9
Sweden	19.4	19.7	23.1	25.7	33.9
France	8.1	11.2	10.3	11.6	14.1
Netherlands	10.3	9.2	35.3	49.0	52.7
Switzerland	9.6	6.3	6.7	6.7	7.0
UK	6.7	9.0	11.4	17.3	16.3
Germany	4.6	4.8	4.8	5.6	6.7
Denmark	6.4	6.5	7.1	9.3	23.4
Finland	2.6	4.7	4.6	6.9	10.0
Japan	4.8	4.7	4.0	3.5	4.4
All EU	64.7	72.0	103.7	132.7	165.4
FDI/GPD (%)	12.8	13.3	15.0	17.5	19.4

Table II: FDI Pos. in Norway by Industry (NOK Bill)

Sector	1995	1996	1997	1998	1999
Total FDI	118.8	135.3	164.5	194.7	231.8
Petroleum/Mining	59.2	72.5	72.5	87.5	98.5
Manufacturing	12.0	13.6	31.4	37.3	39.7
Bldg/Construction	1.9	1.2	3.2	3.0	3.2
Dom Trade/Hotels	17.8	19.0	20.1	22.9	25.2
Transp/Commun	1.6	2.7	4.5	5.4	8.4
Financial, Business Services/Property	25.8	25.4	30.6	33.4	48.2
Other Industry	0.5	0.9	2.2	5.2	8.6

Table III: Norw. Inv. Pos. Abroad by Country (NOK Bill)

Country/Area	1993	1994	1995	1996	1997
Total Inv. Abroad	94.8	119.9	142.3	163.9	201.1
U.S.	13.7	16.7	20.2	23.4	39.5
Sweden	14.6	15.1	19.7	23.8	29.2
Denmark	14.8	26.7	29.7	27.9	27.2
UK	11.2	10.7	12.0	19.0	20.8
Netherlands	8.5	8.4	12.0	14.3	19.8
Germany	7.8	8.7	7.8	6.8	7.7
All EU	69.4	89.3	105.3	124.0	140.4
Total/GDP (%)	11.5	13.8	15.3	16.1	18.3

Table IV: Norw. Inv. Pos. Abroad by Industry (NOK Bill)

Sector	1993	1994	1995	1996	1997
Total FDI	94.8	119.9	142.3	163.9	201.1
Petroleum/Mining	34.8	43.2	51.9	61.6	75.4
Manufacturing	24.2	33.3	37.6	41.1	41.6
Dom Trade/Hotels	5.8	9.8	9.3	8.0	10.8
Transp/Commun	5.5	6.0	5.8	6.9	9.8
Financial, Business Services/Property	22.8	25.7	35.4	41.3	53.3
Other Industry	1.7	1.9	2.3	5.1	10.2

Table V: Net FDI Flows to Norway (Nok Bill)

Year	1996	1997	1998	1999	2000
Total	13.4	21.1	25.1	52.2	55.9
U.S.	10.9	0.3	(1.0)	(2.0)	(4.4)
Sweden	2.4	0.9	2.5	19.0	29.3
EU (incl Sweden)	6.8	23.5	27.1	48.5	44.5
Tot/GDP (%)	1.3	1.9	2.3	4.4	3.9

Table VI: Norw. Net FDI Flows Abroad (NOK Mill)

Year	1996	1997	1998	1999	2000
Total	31.7	29.9	16.0	38.9	64.9
U.S.	0.3	8.6	4.6	2.2	(5.5)
Sweden	8.1	6.2	3.5	9.2	4.9
EU (incl Sweden)	28.3	14.9	3.7	21.9	36.7
Tot/GDP (%)	3.1	2.7	1.4	3.2	4.6

MAJOR FOREIGN INVESTORS

According to Norwegian law, investment statistics collected by the Norwegian Central Bureau of Statistics cannot be released on a company-to-company or project-to-project basis.

In 2000, foreign and Norwegian oil companies invested about USD six billion (measured at market value) in the Norwegian offshore petroleum sector. The major U.S. investors offshore were:

Amerada Hess corp., BP-Amoco Norway, Conoco Petroleum Norge, Esso Norge, Mobil Norge, and Phillips Petroleum Corporation Norway. Other foreign oil companies were Norske Shell, Enterprise Oil, Norsk Agip, and Total Norge.

On the Norwegian mainland, U.S. investors/suppliers include: Kraft General Foods, Abbot Norge, Amdahl Norge, American Express, Apple Computer, Avis Bilutleie, Black & Decker, Bristol-Meyers Squibb, Coca-Cola Norge, Colgate-Palmolive Norge, DHL International, Dow Chemical Norway, Ernst & Young, General Electric, General Motors, Gillette Norge, Goodyear Norge, Hertz Bilutleie, IBM, Ingersoll-Rand, Kellogg Norge, Manpower, Motorola Norge, NCR Norge, Pepsi Cola Norge, Price Waterhouse, Texas Instruments Norge, Vickers Systems, Wrigley and Xerox Corporation.

In all, over 200 American firms have established branch offices or subsidiaries in Norway.

Note on Sources

Information in this report was primarily obtained from various sources within the Ministries of Finance, Industry and Trade, Labor, and Foreign Affairs, as well as the Norwegian Central Bureau of Statistics and the Central Bank of Norway.

American Embassy, Oslo
Foreign Commercial Service (FCS)
Drammensveien 18
0244 Oslo, Norway
SCO: (47) 21 30 87 60
Fax. (47) 22 55 88 03

e-mail: csoslo@online.no
www.usa.no

The American Chamber of Commerce in Norway
Drammensveien 20c
0255 Oslo, Norway
Tel: (47) 22 54 60 40
Fax: (47) 22 54 67 20
e-mail: amchamno@online.no
www.am-cham.com

United States Department of Commerce, Washington, D.C
Norway Desk Officer,
Tel: (202) 482-4414

TPCC Trade Information Center in Washington, D.C.
Tel: 1-800-usa-trade

MAJOR NORWEGIAN TRADE ASSOCIATIONS

Naeringslivets Hovedorganisasjon (NHO)
(Confederation of Norwegian Business & Industry)
Middelthunsgate 27
P.O. Box 5250 Majorstua
0303 Oslo, Norway
Tel: (47) 23 08 80 00
Fax: (47) 23 08 80 01
E-mail: firmapost@nho.no

Teknologibedriftenes Landsforening (TBL)
(Assn. of Norwegian Technological Industries)
Oscarsgt. 20
P.O. Box 7072 Majorstua
0306 Oslo, Norway
Tel: (47) 22 59 00 00
Fax: (47) 22 59 00 01
E-mail: tbl@tbl.no
Incorporates the following branch organizations:
Elektroindustriens Bransjeforening: TBL-elektro (Electro-mechanical industry)
Informasjonsteknologi-Naeringens Forening: TBL-ITF (High-tech industry)
Maskin & Konstruksjonsverkstedenes Forening: TBL-maskin (Motors/engines & mechanical manufacturing)
Metallvareprodusentenes Landsforening: TBL-metallvare (Metals processing)
Offshoreindustriens Bransjeforening: TBL-offshore (Offshore oil- and gas-industry branches)
Skipsindustriens Bransjeforening: TBL-skip (Shipbuilding industry)
Stoperienes Bransjeforening: TBL-stoperi (Foundries)
Teknoindustriend Bransjeforening: TBL-Teko (Textiles, shoes, sporting goods)

Handels & Servicenaeringens Hovedorganisasjon (HSH)

(Federation of Norwegian Commercial and Service Enterprises)
Drammensveien 30
Postboks 2900 Solli
0230 Oslo, Norway
Tel: (47) 22 54 17 00
Fax: (47) 22 56 17 00
www.hsh-org.no
Incorporates branch organizations such as:
Norsk Grafisk Leverandorforening (Printing/graphic arts suppliers)
Norges Grossistforbund (Wholesalers)
- Also serves as the umbrella organization for importers

Federation of Norwegian Commercial Agents (Norske Agenters Landsforening)
Drammensveien 30
0230 Oslo, Norway
Tel: (47) 22 44 68 33
Fax: (47) 22 44 94 35
This association issues a monthly publication, "Agentur," in which proposals from foreign firms seeking agents/distributors in Norway are published.

Association of Machinery Wholesalers (Maskingrossistenes Forening).
Drammensveien 30, Pb. 2866 Solli
0230 Oslo, Norway
Tel: (47) 22 44 78 73
Fax: (47) 22 44 87 47
This association circulates offers regarding distributorships and agencies among its 200 members.

OTHER SELECTED NORWEGIAN MINISTRIES AND ORGANIZATIONS

Royal Norwegian Ministry of Foreign Affairs (Utenriksdepartementet)
7 Juni Plass 1
P.O. Box 8114 dep
0032 Oslo, Norway
Tel: (47) 22 24 90 90
Fax: (47) 22 24 95 80
odin.dep/no/engelsk

Department of Finance and Customs (Finans-og Tolldepartementet)
Akersgaten 40 (blokk G)
P.O. Box 8008 dep
0030 Oslo, Norway
Tel: (47) 22 24 90 90
Fax: (47) 22 24 95 10
E-mail: info-fin@online.no
www.finans.dep.no

Ministry of Petroleum and Energy (Olje- og energidepartementet)
Einar Gerhardsens plass 1
P.O. Box 8148 dep
0033 Oslo, Norway

Tel: (47) 22 24 61 07
Fax: (47) 22 24 95 25
odin/dep.no/oed.engelsk

Ministry of Trade and Industry (Naerings- og handelsdepartementet)
P.O. Box 8014 dep
0030 Oslo, Norway
Tel: (47) 22 24 90 90
Fax: (47) 22 24 01 30
odin.dep.no/nhd/engelsk

Department of Transport and Communications (Samferdselsdepartementet)
Akersgaten 59
P.O. Box 8010 dep
0030 Oslo, Norway
Tel: (47) 22 24 90 90
Fax: (47) 22 24 95 71

Royal Norwegian Ministry of Labor and Government Administration (Kommunal og Arbeidsdepartementet)
Hammersborg Torg 3
P.O. Box 8112 dep
0032 Oslo, Norway
Tel: (47) 22 24 90 90
Fax: (47) 22 24 95 45

Department of the Environment (Miljoverndepartementet)
Myntgata 2
P.O. Box 8013 dep
0030 Oslo, Norway
Tel: (47) 22 24 90 90
Fax: (47) 22 24 95 60

The Norwegian State Pollution Control Authority (Statens Forurensingstilsyn SFT)
Stromsveien 96
P.O. Box 8100 dep
0032 Oslo, Norway
Tel: (47) 22 57 34 00
Fax: (47) 22 67 67 06
www.sft.no

The Regional Development Fund (Statens Naerings-& Distriktutviklingsfond)
Akersgaten 13
P.O. Box 448 Sentrum
0104 Oslo, Norway
Tel: (47) 22 00 25 00
Fax: (47) 22 42 96 11

The Bank of Norway (Norges Bank)
Foreign Exchange Department
Bankplassen 2

P.O. Box 1179 Sentrum
0107 Oslo, Norway
Tel: (47) 22 31 60 00
Fax: (47) 22 41 31 05
www.norgesbank.no/english

MARKET RESEARCH FIRMS

Several Norwegian market research firms serve international clients. Some of the major ones are:

AC Nielsen Norge A/S
Drammensveien 123, Pb. 501
0214 Oslo, Norway
Tel: (47) 22 58 34 00
Fax: (47) 22 58 34 01
E-mail: firmapost@acnielsen.no

Carelius & Co. A/S
Lilleakerveien 23
0283 Oslo, Norway
Tel: (47) 22 06 56 70
Fax: (47) 22 50 81 32

Feedback AS
Grensen 5-7
0159 Oslo, Norwway
Tel: (47) 22 00 47 00
Fax: (47) 22 00 47 01

COUNTRY COMMERCIAL BANKS

Two U.S. banks have full-service subsidiaries in Norway. The addresses are:

JP Morgan Chase
Fr. Nansens plass 2
0160 Oslo, Norway
Tel: (47) 22 94 19 19
Fax: (47) 22 42 58 61

Citibank International PLC Norway Branch
Tordenskiolds gate 8-10
Pb 1481 Vika
0116 Oslo, Norway
Tel: (47) 22 00 96 00
Fax: (47) 22 00 96 96
www.citibank.com

Norwegian international banks all have correspondent relationships with U.S. banks. Norway's major banks are:

Den norske Bank (DnB)
P.o.box 1171 Sentrum
0107 Oslo, Norway
Tel: (47) 22 48 10 50
Fax: (47) 22 48 18 70
www.dnb.no

Kreditkassen
Middelthunsgate 17
0107 Oslo, Norway
Tel: (47) 22 48 50 00
Fax: (47) 22 48 47 49
www.kbank.no

Post has prepared and submitted to the United State Department of Commerce the following Industry Sector Analyses (ISAs) and International Market Insight (IMIs) reports over the past fiscal year.

Recent Industry Sector Analyses and Market Profiles (ISAs) on file:

Aug-00	Light Trucks
Aug-00	Airport Development Opportunities
Aug-00	Travel and Tourism Market
Sep-00	Home Health Care and Rehabilitation Equipment
Sep-00	Value Added Telecommunications Services
Sep-00	Energy Liberalization
Feb-01	Defense Industry Update—Opportunities in Norway
Jun-01	Internet Security

Recent International Market Insight (IMI) reports on file (beginning with most recent):

- Norway Oil and Gas Services Update
- Medical Sector Service Opportunities in Norway
- Shipping/Maritime Service Opportunities in Norway
- Telecommunications Services Update
- Software Market in Norway
- Internet Services, Norway
- Norwegian Oil and Gas Industry Update, June 2001
- Norwegian Malls Continue to Take Market Share
- Net Use in Norway Stops Growing
- Opportunity for Involvement in 4G Telecommunications Development
- Norwegian Spending Rises Less Slowly, Moves Away from Physical Stores
- Calling All E-Tailers—Opportunity in Norway
- Norwegian Sports and Exercise Trends
- Consumer Electronics
- Norwegian Mobile Portal Receives Top Ranking
- Norwegians Fatten Up, Try to Make Themselves Beautiful, and Do TV Banking
- Norway Reduces Import Fees and Red Tape
- Healthy Growth Rates for Norwegian Drug Sales
- Medical News from Norway

- Norwegian Imports of Building Products Keep Growing
- Mobile Commerce
- Norway’s Trade Surplus Sets Records, While Import Rise Sharply
- Norwegian Business Update, Year 2001 Lead-Off
- Norway’s Defense Restructuring Process and 2001 Spending Priorities
- Norwegian Government Proposes to Privatize Part of Statoil, Other Oil Holdings
- Optimism and Investment in Norwegian Process Industries
- A Big Year for Norwegian Shipyards
- Norway Economic Update—December 2000
- Growth in Norwegian ICT and Internet Sector
- Norway Awards UMTS Licenses
- Norwegian Oil and Gas Update, December 2000
- Norwegian Health Authorities Ready to Contract Services Overseas
- Norwegian Post Office looking for U.S. E-commerce, B2B & B2C partners
- Travel Media 2000
- E-commerce in Norway- Market Brief
- Norwegian Energy Market Update-2000
- Travel & Tourism Who’s Who
- Cosmetics & Toiletries
- Household Consumer Goods
- Why Do Business in Norway?
- Increased International Travel
- Norwegian Diversification and Defense Market Assessment-2000
- Privatizations in Norway Create Opportunities for U.S. Firms
- Norway’s Largest Companies Heavy on Oil
- Oslo IT Center Gets Underway
- Vitamins and Food Supplements
- Norway Probably to Build Two Gas Fired Generating Facilities

The following Industry Sector Analyses and Market Profiles are planned for release from August 2001 and through FY2002:

Information Technology in the Energy Sector
Wireless Telecommunications Equipment and Services
Mobile Commerce in Norway
Locating Defense Offset Opportunities and Partners in Norway
Oil and Gas Equipment and Services
Travel and Tourism
Home Decoration Merchandise
Medical Equipment
Biotech for Medical and Pharmaceutical Applications
Ship Building and Ship Equipment
Automotive Parts and Services

Major Trade Fairs in Norway - 2001/2002

2001 Trade Event Schedule

Date	Event	Exhibition Products
17-19 Aug.	Moteuken	Fashion
30 Aug. - 2 Sept.	Gave & Interiør, Høst	Gift and interior (fall show)
25-30 Sept.	Bygg Reis Deg 2001	Building products and equipment
9-11 Oct.	Safe-Sec	Safety and security
26-28 Oct.	Foreldre & Barn 2001	Parents & children
28 Nov. - 2 Dec.	Automessen 2001	Automotive

2002 Trade Event Schedule

Date	Event	Exhibition Products
10-13 Jan.	Reiseliv 2002	Tourism and travel US Pavilion to be staged
24-27 Jan.	Gave & Interiør, Vår	Gift and interior (spring show)
15-17 Feb.	Moteuken	Fashion
1-3 Mar.	MC 2002	Motorbikes
8-17 Mar.	Sjøen for Alle	Boats
23-25 Apr.	Selvstanding Liv - Handicapp 2002	Independent living - handicap 2002
22-25 Aug.	Gave & Interiør, Høst	Gift and interior (fall show)
27-30 Aug.	Offshore Northern Seas (ONS) 2002	Oil and gas US Pavilion to be staged
Sept.	Rom 2002	Furniture
Sept.	Park, Anlegg & Golf	Outdoor activities
23-26 Oct.	VVS-Dagene	HVAC
13-17 Nov.	Hjem 2002	Homes
15-17 Nov.	Foreldre & Barn 2002	Parents & Children

Country Commercial Guides can be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at (800) 553-NTIS. U.S. exporters seeking general export information and assistance or country-specific commercial information should consult with their nearest U.S. Export Assistance Center or the U.S. Department of Commerce's Trade Information Center at (800) USA-TRADE, or go to one of the following web sites: www.usatrade.gov or www.tradeinfo.doc.gov .